Mobile welder saves on in-track repairs

October 5, 1959

RAILWAY AGE *weekly*

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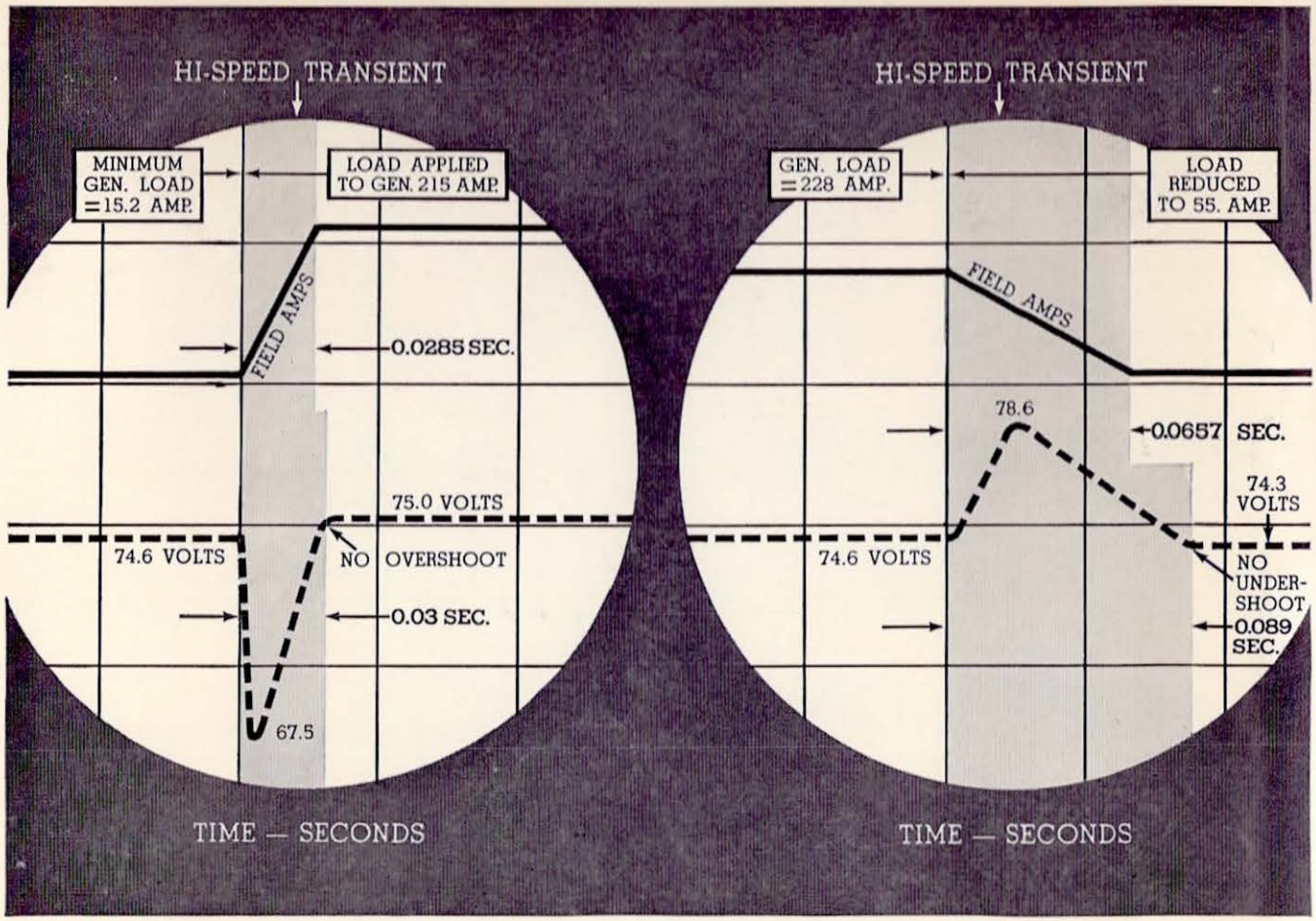

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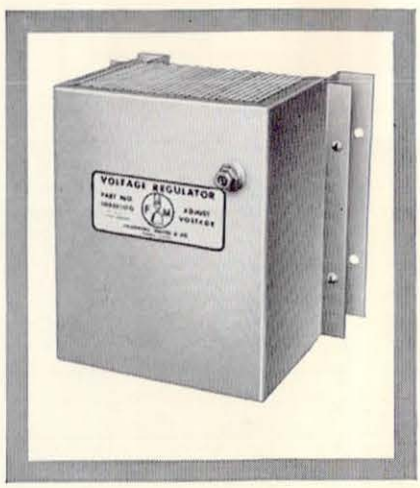

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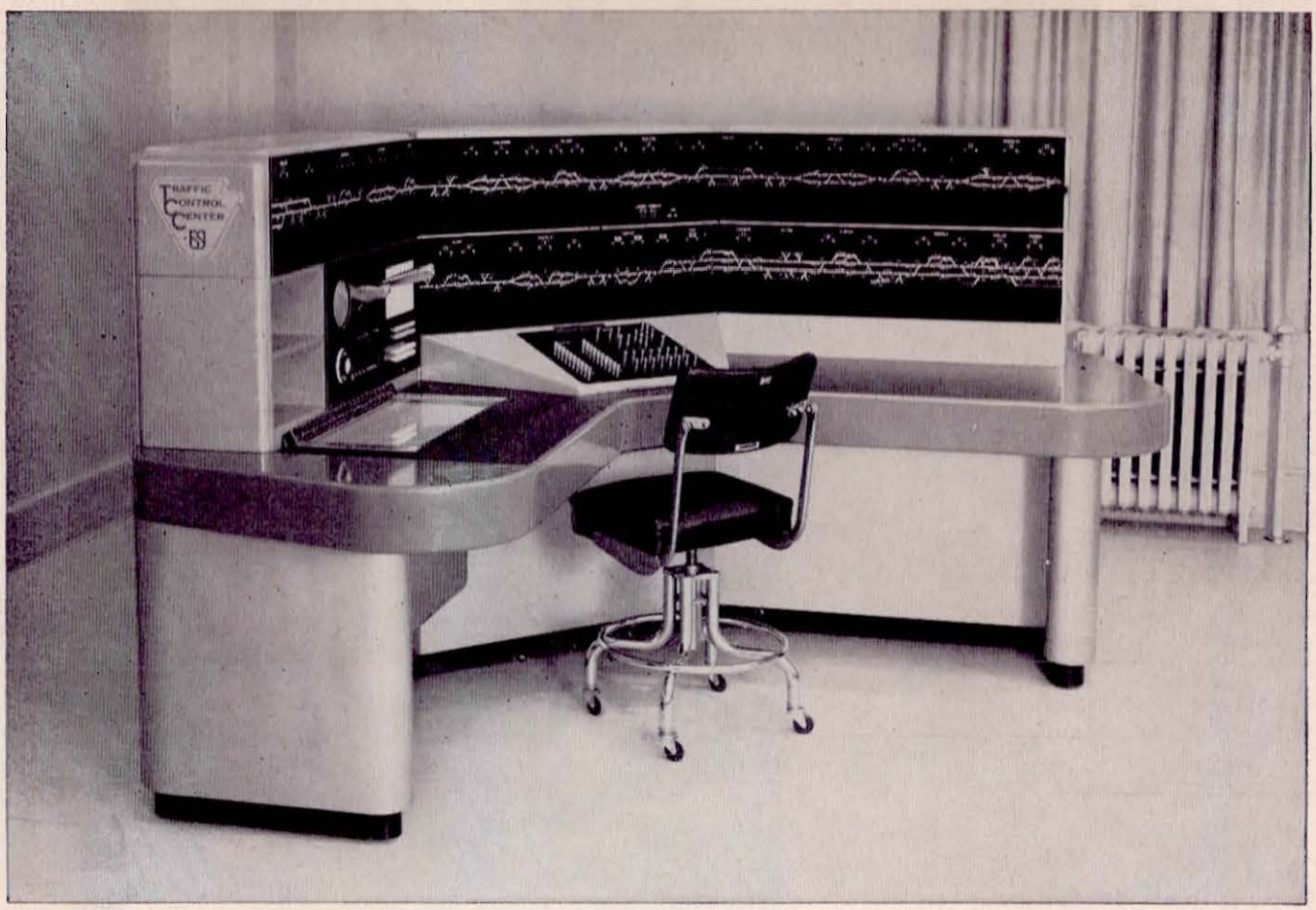

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RAILWAY AGE *weekly* October 5, 1959 • Vol. 147, No. 14

Week at a Glance

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Steel strike cuts RR earnings ..... p. 9

Some of the $500 million in gross revenues lost as a result of the strike will be made up during the post-strike traffic boom. But some roads feel they've passed "the point of no return."

Cover Story—Mobile welder saves on in-track repairs..... p.12

The Lehigh Valley has come up with a new way to cut costs. It's using a fleet of specially equipped mobile outfits for building up worn trackwork in the field.

GE offers new hotbox detector p.14

Another manufacturer is turning out devices to detect hotboxes. The new detector system, now in service on three railroads, is made by General Electric.

D&H gets 10 new cabooses p.24

Crew comfort and efficiency are built into the cars, which were manufactured by Morrison International Corp.'s International Car Division.

One-package transport urged p.33

The vote for integrated transportation was 3-to-1 at a shipper-motor carrier conference in St. Louis last week. The only

Special Report:

Inflation

The twists and turns of money policy have made inflation vividly real to millions of Americans. It has clipped the value of a dollar in half in just 20 years. When government uses credit to build more highways, airports and waterways, it is only making the situation worse. Here is a railroad story, reported in understandable terms for the layman—the customers, the opinion leaders, the voters. (Reprints available.)

People have been clipping coins for 3,000 years p.16

Today it's the government that does the clipping p.16

Inflation at work: nobody wants to pay hard cash for the new highway system p.18

Compounding the Inflation: "free" (!) roads, waterways and airports don't go on the tax rolls p.20

The Action Page—We can stop inflation now p.38

THE 1960 JACKSON TRACK MAINTAINER: Faster and better than its predecessors though those machines won an endorsement by leading track men such as no other in this category has ever enjoyed . . . purchase and use on nearly all the major systems in America. For the dual purpose of putting up and maintaining track of finest, longest-lasting quality at minimum cost, it is demonstrably the finest money will buy.

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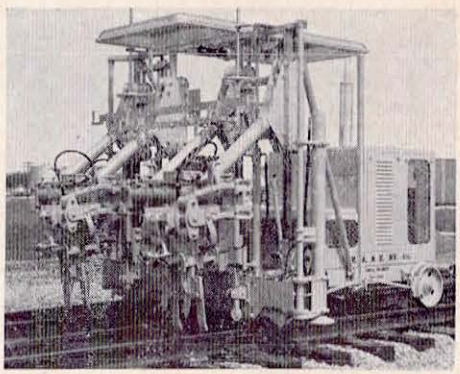

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Week at a Glance CONT.

Current Statistics

Operating revenues	
7 mos., 1959	$5,847,512,418
7 mos., 1958	5,329,684,214
Operating expenses	
7 mos., 1959	4,562,546,451
7 mos., 1958	4,353,181,571
Taxes	
7 mos., 1959	632,589,611
7 mos., 1958	502,477,821
Net railway operating income	
7 mos., 1959	462,965,823
7 mos., 1958	300,654,566
Net income estimated	
7 mos., 1959	337,000,000
7 mos., 1958	203,000,000
Average price railroad stocks	
Sept. 29, 1959 ..	104.75
Sept. 30, 1958 ..	96.15
Carloadings revenue freight	
38 wks., '59	22,717,732
38 wks., '58	21,492,697
Freight cars on order	
Sept. 1, 1959 ...	37,172
Sept. 1, 1958 ...	25,611
Freight cars delivered	
8 mos., 1959	27,435
8 mos., 1958	32,533

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opposition came from the head of the American Trucking Associations.

N. Y. 'full-crew' law probed **p.34**

Railroads operating in the state claim they're being forced to pay out $15,000,000 a year to keep 2,000 "excess" crewmen on trains. Hearings open in New York City this week.

Short and Significant

A railroad workers' rally . . .

will be held in Chicago Nov. 6 with AFL-CIO President George Meany as the headline speaker. Several thousand employees are expected to attend the rally, which the RLEA says is an outgrowth of AFL-CIO action in San Francisco last week pledging support to the railway unions in their current dispute with management. George M. Harrison, president of the Brotherhood of Railway Clerks, is also a scheduled speaker, along with "prominent public figures" as yet unnamed.

C&O's passenger-train piggyback . . .

is being expanded after passing a six-month test with flying colors. Movement of five TOFC flat cars a day in the consist of the "George Washington," between Staunton, Va., and Charleston W. Va., started last March, under a trial agreement with the four operating brotherhoods. A new agreement with the unions permits the passenger trains to haul 10 piggyback cars.

Contract rate on rugs and carpeting . . .

between Amsterdam, N. Y., and Chicago filed by the New York Central has been suspended by the ICC until April 29, 1960. The rate would have resulted in reduced charges for a shipper moving 80% of his traffic for a period of one year via the NYC. (RA, Sept. 7, p. 7; Sept. 28, p. 50.)

Substantial commuter fare increases . . .

will be sought in the New York area by the New Haven, President George Alpert announced last week. Newspaper reports that the railroad would end service for some 27,000 commuters if the increases were not granted were discounted by the NH president, who said that he would exhaust all other remedies.

Fines totaling $49,550 were paid . . .

during this year's May-September period by 34 railroads for violations of the Safety Appliance, Hours of Service, Signal Inspection, Locomotive Inspection and Accident Reports acts, according to the ICC. Biggest payer was the C&NW, assessed $8,500. Runner-up was the Milwaukee, which paid $7,750.

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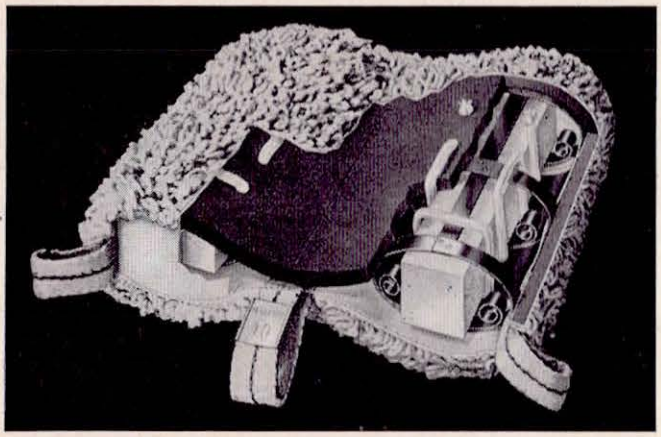

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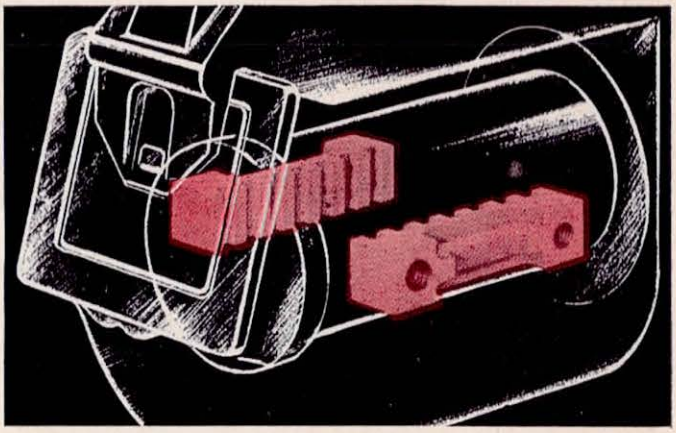

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For complete information on R-S Journal Stops and Magnus Lubricator Pads write to Magnus Metal Corporation, 111 Broadway, New York 6, or 80 E. Jackson Blvd., Chicago 4.

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Steel Strike Cuts RR Earnings

► **The Story at a Glance: Hard hit where it hurts—in the earnings column—the railroad industry looked hopefully last week toward an early steel settlement.**

The strike so far has cost the railroads an estimated half billion dollars in gross revenues. Some railroads polled by Railway Age indicated that they hoped to recoup a substantial part of their losses during the expected post-strike traffic boom. Others took the view expressed by one railroad officer in these words: "We're long past the point of no return. We just aren't going to get enough business to catch up."

It was difficult last week to pin a precise price tag on the impact of the steel strike on the railroad industry. Authoritative sources put the loss in gross revenues at $500 million. This could mean that net railway operating income for the 12 months of 1959 may not top $800 million—although pre-strike estimates put the probable figure at $950 million.

There was general agreement that some of the lost revenues will be recaptured during the waning weeks of 1959, and more in early 1960. There was also agreement that the return to normal operations will be slow—the call-back of thousands of furloughed workers gradual.

Most railroads, including some of the bigger ones, will be forced to continue stringent economy measures in an effort to finish the year in the black. It's unlikely that traffic will hit the post-strike peak until the end of October or the first of November, even assuming an early end to the strike, since the steel mills will need time to get into full production again. Bethlehem Steel, for example, doesn't expect to have substantial traffic to offer until at least two weeks after the Steelworkers return. The lag will cut into the time remaining for balancing the year's books.

This means that work programs and expenditures not absolutely required to handle the anticipated steel-connected boom will probably not be resumed until January at the earliest. Any surplus revenue available between now and year's end will be going to help balance the 1959 books.

Here's how some of the harder-hit carriers have fared during the strike:

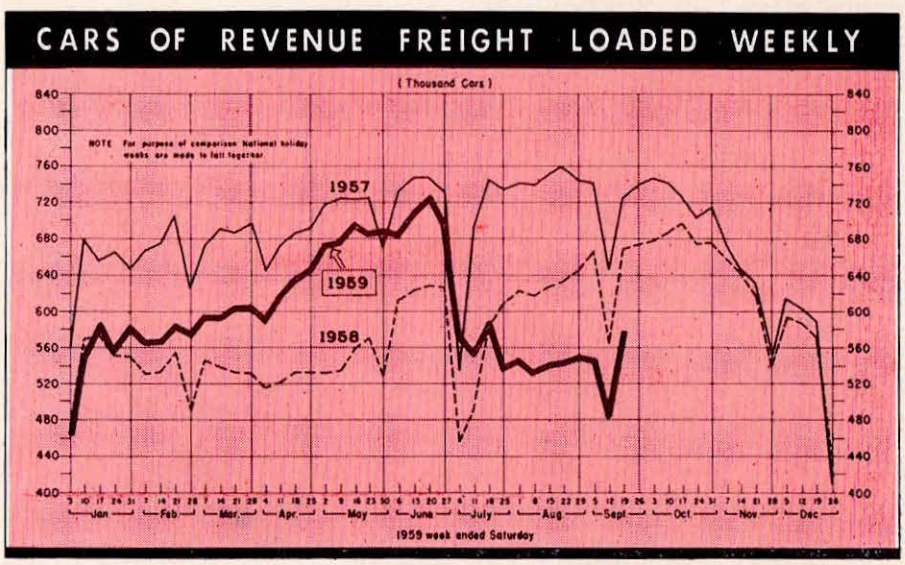
● **Union.**—The steel strike cut this Pittsburgh road's carloadings by 95% (a loss of about 9,500 cars a week). About 2,100 of a total work force of 3,100 were furloughed. It will take 15 to 30 days after the end of the strike to get them back on the job—and it's unlikely that all of them will come back. A company spokesman says it's impossible to make up the loss this year—although the road hopes to end the year in the black. "We're long past the point of no return," he says. "We just aren't going to get enough business to catch up." The Union completely stopped its equipment maintenance program during the strike, but its cars were in "good shape" to begin with and its locomotives in "reasonably good shape." As expected, the road was able to take advantage of the strike to perform bridge and track work that is hard to schedule during normal operations.

● **Bessemer & Lake Erie.** — The Union's sister road has experienced an 85% drop in traffic and furloughed about a third of its work force—chiefly train and engine service employees, car inspectors and light car repairmen. They'll be back on the job within two or three days after the strike ends. Shooting for a less-than-5% bad order ratio by year's end, the B&LE continued its heavy car shop program. The track program continued "practically full blast." B&LE doesn't expect to recoup its losses. A spokesman says: "The effect of the steel strike has been about the same as last year's recession—we'll end 1959 about like we ended 1958."

● **Pittsburgh & West Virginia.** — Loadings have dropped 45%, revenues are off 55%—but President R. N. Shields is optimistic. He's looking for a "tremendous pickup" in traffic, and is confident the P&WV will make up its strike-inflicted losses this year and next—mostly next year. He expects it will be "several weeks" before traffic returns to normal. P&WV has cut expenses "roughly 15%," hasn't deferred any maintenance. Says Mr. Shields: "We've learned a great deal during the strike. Now we know how to do some things just as effectively for lower costs." As a result of permanent economies during the strike, Mr. Shields expects to be able to "put more gross to net."

● **Elgin, Joliet & Eastern.**—Traffic loss has been "severe," as indicated by the fact that the road was $250,000 in the red for August 1959—compared with a profit of $428,000 in August 1958. A spokesman doubts if the loss will be made up. Maintenance and repair programs were slowed, but necessary maintenance was continued. A number of employees were furloughed, and it will take "quite a long time" to return them to work. They'll be recalled gradually as business picks up.

● **Pennsylvania.** — Through August,



STEEL STRIKE has plunged carloadings below recession-year levels.

the PRR lost revenues of $22,500,000 as a result of the steel strike. For the month of August, this gave the road a net loss of $3,491,788 compared with a net income of $3,288,609 in August 1958. With revenues down, expenses have been cut to a rock-bottom level, but car-building and improvement programs have continued at the Hollidaysburg shops, and Altoona has continued to produce its portion of the Pennsy's 23,500-new car program (RA, May 19, p. 9). PRR has taken delivery of 10,000 of the new cars, expects to be in fair shape to meet car requirements when steel production is resumed.

• **New York Central.**—The strike's impact on the NYC is indicated by an August 1959 net deficit of $3,800,000, compared with an August 1958 profit of $274,000. But despite the strike, says President A. E. Perlman, the Central in August "kept in effect its full maintenance-of-way and equipment program in order to meet" post-strike traffic demands, although in September diminishing steel inventories forced the road to reduce its maintenance program. Central is continuing work on such projects as its new yard at Indianapolis and CTC installation between Syracuse and Buffalo.

• **Norfolk & Western.**—In September, overall traffic had dropped 17.4 from the pre-strike level and coal traffic was down 23.7%. N&W expects to recover one-half to two-thirds of the loss, mostly in coal. The road furloughed 2,038 employees; they will return within a week to 10 days after the strike. The road's car-building program has been curtailed 11 weeks.

• **Baltimore & Ohio.**— B&O has suffered a "substantial loss" in traffic. Average daily carloadings in August were 6,895—off more than 1,000 cars from the 1958 "recession" figure. B&O's August 1959 net income was $140,360, compared with a profit of $1,739,618 in August 1958. Like other roads with port gateways, B&O has a substantial stockpile of ore waiting to be moved when the steel companies are ready to move it.

• **Louisville & Nashville.**—L&N has suffered "quite a traffic loss," but expects to make it up "to a great extent" if post-strike business lives up to expectations. An extra complication has been a coal strike that has been costing L&N between 300 and 400 carloads of traffic a day since last March. L&N reduced its work force by 2,040—875 in equipment maintenance, of whom about half will be recalled during the first month after the strike; 100 in transportation, all of whom will be recalled immediately after the strike; and 1,065 in maintenance of way, of whom about half will be recalled during the first post-strike month.

• **Illinois Central.**—IC's iron and steel products and ore traffic is off about 25%; overall revenues are down 5%. A spokesman thinks "some" of the loss will be made up. Maintenance work has been cut back, although IC has gone ahead with some of its track-laying programs for which rail was already on hand. About 600 track and roadway employees and 585 shop employees have been furloughed.

• **Chicago & North Western.**—
(*Continued on page 35*)

Watching Washington *with Walter Taft*

• **TIME PAID FOR BUT NOT WORKED** will soon be a thing of the past, so far as ICC wage statistics are concerned. The Commission's Bureau of Transport Economics and Statistics has abandoned the term in favor of "Vacations, Holidays and Other Allowances."

THE ABANDONMENT will be effective with the forthcoming M-300 Statement for last July. The change is a victory for a special committee which the Railway Labor Executives' Association appointed six months ago.

RLEA CHAIRMAN George E. Leighty then set out the committee's assignment in general terms—to "correct some of the ridiculous reporting rules of the Commission." Its principal aim, however, has been to eliminate the "Time Paid For But Not Worked" category.

THE CONTROVERSIAL ITEM covered payments to railroad non-operating employees, and it is those same payments which will hereafter be reported as "Vacations, Holidays and Other Allowances." Similar payments to operating employees have been reported as "Constructive Allowances." That term has not been abandoned, but a parenthetical phrase has been added to make it "Constructive Allowances (Including Vacations and Holidays)." This change, too, will appear first in July's M-300 Statement.

LABOR AND MANAGEMENT SPOKESMEN have often traded verbal blows about "Time Paid For But Not Worked." A recent exchange was that wherein AAR President Daniel P. Loomis flatly denied labor charges that payments thus reported to the ICC were part of the $500 million figure which management is using as the annual cost of "featherbedding." That figure has "no relationship to the ICC classification," Mr. Loomis said.

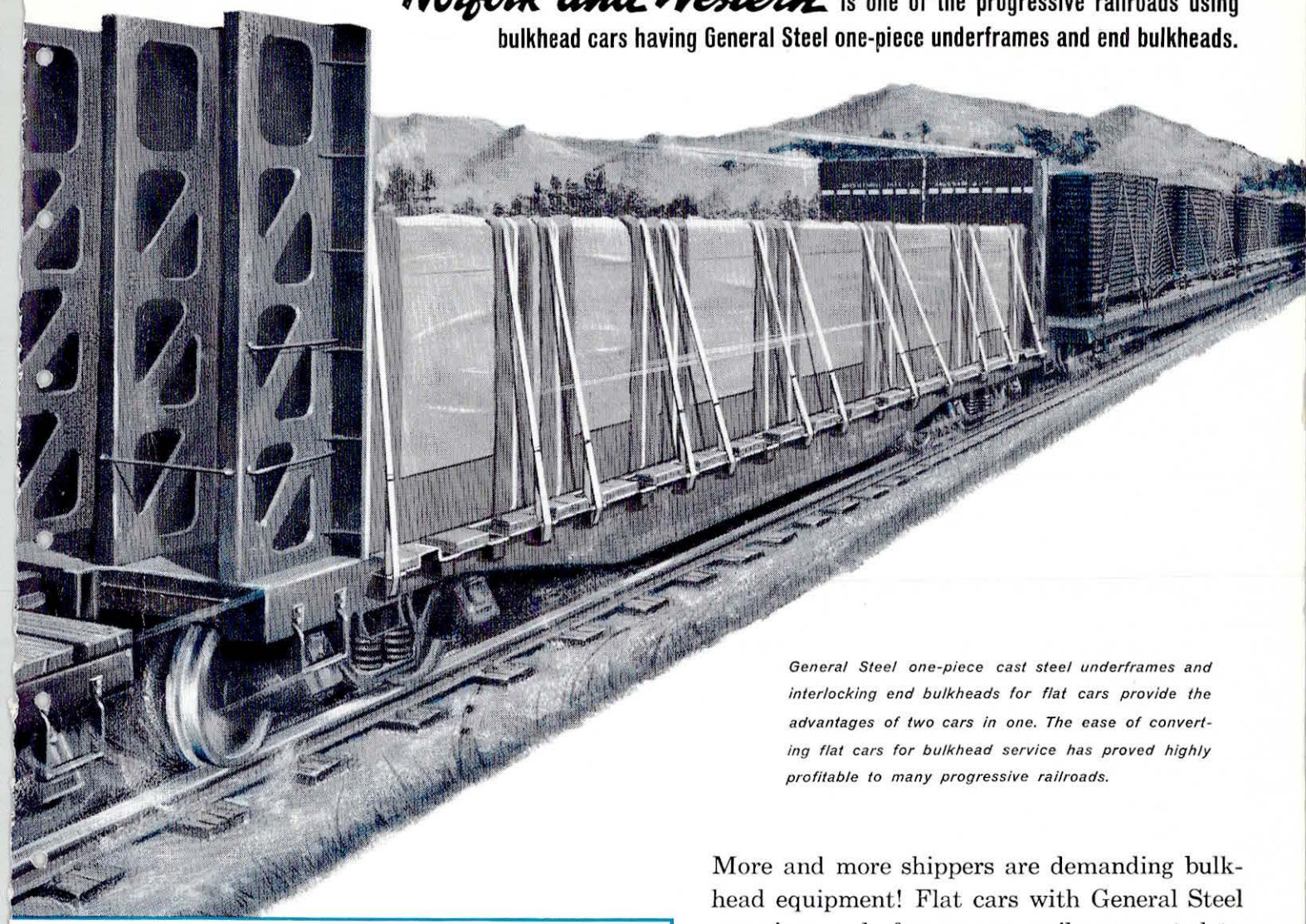
• **ANOTHER WARNING** of the coordinate-or-perish variety comes to common carriers from a member of the ICC. Commissioner Walrath says shippers want flexible service which combines inherent advantages of all types of transport. He predicts that such service will become available generally through "some method"—and it could be one involving further losses of business to private carriage.

THUS, Mr. Walrath suggests, it's "only sensible" for for-hire carriers to lay aside inter-agency competition while they try to find a solution for this "larger problem." The search, he advises, should be for a combination of facilities which will offer the shipper a better service than he can provide for himself.

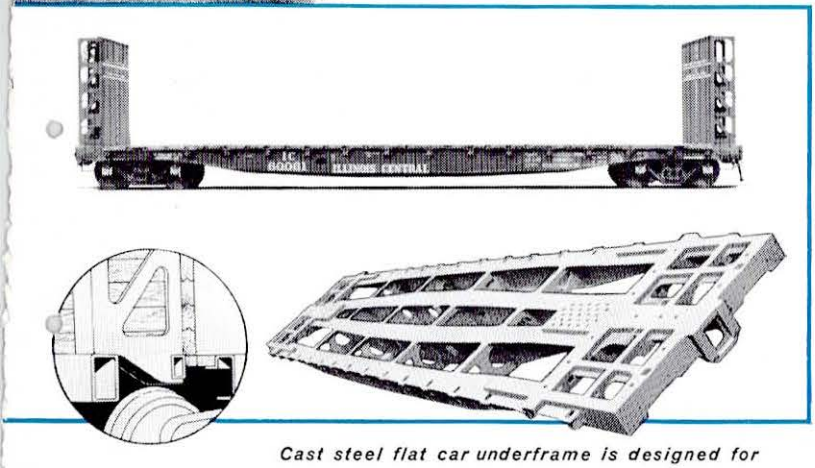
THE COMMISSIONER notes the railroad industry's call for freedom to provide such service by operating other modes of transport, but he also notes how the Commission has there taken a "neutral" position. It thinks that policy question must be resolved by Congress. Meanwhile, Mr. Walrath wonders if it's expecting too much to believe that the various transport agencies can get together on the coordinated set-up he visualizes.

. . . where railroad progress is cast in steel

Norfolk and Western is one of the progressive railroads using bulkhead cars having General Steel one-piece underframes and end bulkheads.



General Steel one-piece cast steel underframes and interlocking end bulkheads for flat cars provide the advantages of two cars in one. The ease of converting flat cars for bulkhead service has proved highly profitable to many progressive railroads.



Cast steel flat car underframe is designed for quick, low cost application of upright ends.

More and more shippers are demanding bulkhead equipment! Flat cars with General Steel one-piece underframes are easily converted to bulkhead cars by the application of cast steel upright ends. In all General Steel underframes, the metal is properly distributed where it is needed for strength, and the *extra* strength required for use with end bulkheads is provided as a built-in advantage. The cast steel end posts are easy to apply, permit maximum loading space.

General Steel flat car underframes assure longest life, lowest maintenance costs and greatest availability of equipment. They're your best investment, by far.

GENERAL STEEL CASTINGS

GEARED TO PROGRESS P R I MEMBER

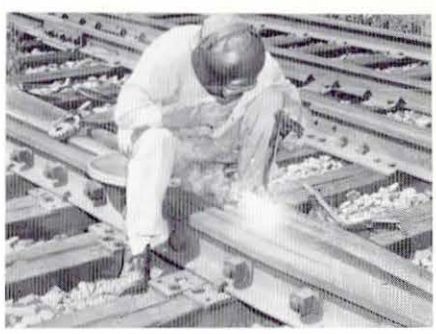
GRANITE CITY, ILL. · EDDYSTONE, PA. · AVONMORE, PA.

How the LV Cuts Costs With a

WITH TRUCK parked nearby, the welder here is grinding a repair weld he has just made on a manganese insert frog.

WELDING GENERATOR may be easily loaded or unloaded by a ½-ton chain hoist hung from davit at rear of truck.

DEFECTIVE metal is removed with oxyacetylene torch preparatory to making repairs.



NEW METAL is applied by electric arc. This manganese-insert frog was repaired in about 45 min.

Not so long ago the Lehigh Valley was taking worn frogs and crossings out of track and sending them to a central shop for repairs. Now it's doing all this work in track and is, thereby, reaping important economies.

For doing the in-track repair work, the road has a fleet of seven specially equipped trucks, each manned by a welder and helper. In addition to their primary function the outfits are also proving valuable and useful for many other jobs.

The former practice was to make repairs to frogs and crossings in a central shop. This required that they be removed from the track and replaced with a new or reclaimed unit. The worn frog or crossing was then shipped to the shop and repaired, and held on hand until it was reinserted at another location.

The new practice, explains W. E. Kropp, the LV's supervisor of main-

Mobile Welder for Frog Repairs

tenance of way equipment, has many advantages and has reduced costs considerably. For one thing, he points out, it has eliminated the cost of handling the track work to and from the shop, as well as the labor cost of replacing frogs in track.

Also, he explains, the road is now able to pursue a policy of preventive maintenance with regard to frogs and crossings. Formerly they were left in track until they had become badly worn, requiring extensive repairs, when finally they were sent to the shop. Now repairs are made before the damage becomes serious. This means that in most cases a frog is not removed from track until it is ready to be scrapped.

The mobile welding outfits also are proving useful for a wide variety of miscellaneous welding and cutting jobs, and even work that has no relation to their primary function. For example, when a derailment occurs, one of the outfits is almost invariably dispatched to the site not only to provide oxyacetylene cutting equipment if needed, but also so its generator may be used as a source of power for floodlighting the work at night. A partial list of those miscellaneous jobs for which the outfits are used is given in the accompanying check list.

The mobile welding outfits are assigned to, and receive their work orders from, the track supervisors. Each track supervisor is assigned at least one of the outfits. Supervisors' territories which, because of large yards, include a greater number of frogs than can be handled by one machine, are equipped with more than one outfit.

Each outfit consists of a 1¼-ton Dodge or Chevrolet truck and carries a complete complement of equipment, tools and accessories needed by the welders in carrying out their duties. Bodies are of the typical utility type with bins and compartments along both sides for carrying welding hose and cable, welding rods, hods, tools and other accessories. To adapt the bodies to its particular needs, the road made a number of modifications in them, including a sliding roof section to permit ready access to the interior.

Key unit in each outfit is a portable self-contained welding outfit, known as an "Arc-Spot" welder. Each of these consists of an 80-volt, 200-amp, 3000-watt ac welding generator and a 1000-watt dc auxiliary generator, both driven from the shaft of a 10-hp air-cooled gasoline engine. This unit is mounted on two rubber-tired wheels so that it may be taken from the truck and moved about on the ground.

"In addition to providing power for welding, the welding generator is used to drive a 3-hp Remington Arms (Mall) flexible-shaft grinder with a wheelbarrow-type mounting. This unit may be used with either a straight spindle for operating an 8-in. grinding wheel with a 1-in. face or with an angular head for operating an 8-in. cup wheel.

The auxiliary generator is used primarily for operating a portable ac-dc hand-held grinder with a 6-in. diameter by 1-in. face wheel. It also provides power for floodlighting.

Other equipment and accessories carried in each truck include 125 ft of electrode cable, 125 ft of ground cable, 100 ft of grinder cable and 50 ft of oxyacetylene hose. Four cylinders each of oxygen and acetylene are carried. For handling the gas cylinders and the generator to and from the truck, a davit with a ½-ton chain hoist is mounted on the rear end.

A small push truck, with collapsible frame, which can be folded and placed in a minimum space, is carried in the truck for use in operating the welding generator on tracks inaccessible to the truck.

In recent years the Lehigh Valley has been installing an increasing number of crossings of heat-treated carbon steel. In repairing such material the welders use the electric-arc method. The type of welding rod used permits this work to be done during the warm-weather season without preheating or postheating, says Mr. Kropp. He explains that good results have been obtained from this practice. He adds, however, that the practice of preheating and postheating is still followed during cold or severe weather.

When making repairs to manganese trackwork the old material is removed with oxyacetylene torches and the new material applied by the electric arc. Switch points, driver burns and most battered rail ends are repaired by oxyacetylene welding. Welding of carbon steel (other than heat-treated) rigid rail frogs is also done by the oxyacetylene method.

The Outfits Do Many Other Jobs

The Lehigh Valley's mobile welding outfits are used principally for making in-track repairs to frogs and crossings. They also come in handy for doing a variety of other types of repair and welding work, such as:

- √ **Welding machine parts**
- √ **Welding gas-burning switch heaters**
- √ **Welding, repairing sanding equipment**
- √ **Building up and repairing clamshell and dragline buckets**
- √ **Building up, hard-surfacing M/W tools**
- √ **Furnishing power for floodlighting at derailments and other emergencies**
- √ **Thawing frozen pipes in winter**
- √ **Welding, repairing rail lubricators**
- √ **Welding, repairing car-retarder parts**
- √ **Welding and repairing mile posts, whistle and other roadway signs.**

GE Offers New Hotbox Detector

► **Story At a Glance: Hotboxes, a perennial railroad problem, are receiving ever increasing attention. A second manufacturer has entered the field of their detection. The first hotbox detector system, now in service on over 20 railroads, is manufactured by Servo Corp. of America. Now three railroads have in service a new detector system made by General Electric Co.**

The new GE detector system operates on 115 volts, 60-cycle ac. It requires approximately 200 va at the trackside installation and 200 va at the receiver unit (pen graph recorder). When using FM carrier, 250 va are required at the detector location and about 300 va at the receiver location.

One of the railroads is using the GE type 50 FM frequency shift carrier, operating on a frequency of 39.5 kc. The detector signals are square wave pulses with a maximum peak which may be as high as 20 volts. The GE FM carrier makes it possible to operate the recorder up to 90 miles from the detector location. The carrier and detector equipment is transistorized, except for two subminiature tubes used in the detector preamplifiers.

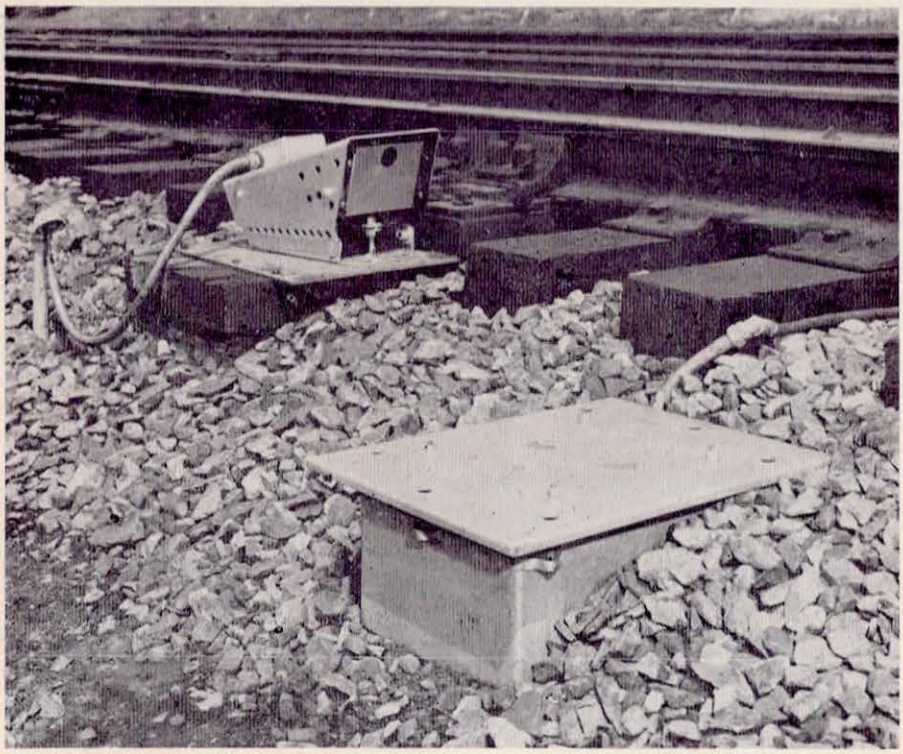
At the field location, one transducer is used as a wheel pickup unit. It is mounted 56 in. after the detector heads in the direction of train movement. The pickup unit consists of a permanent magnet to establish a magnetic field, and a coil to detect changes in the field. When a wheel passes the unit, the wheel flange changes the reluctance of the magnetic path. The resulting change in the magnetic flux induces a voltage in the coil.

The detector preamplifier, mounted in the rear of the detector head, is fed by a power supply unit buried in the ballast. The other field equipment, such as amplifiers and carrier transmitter, is rack mounted in a steel relay case. Pushbuttons for testing the system are part of the equipment in the field relay case. A gate test pushbutton is used to simulate a wheel pickup signal. A hot pip pushbutton simulates a hotbox, and a chart drive test button simulates a gating pulse to start the chart running. It runs for five seconds and then is shut off by an automatic timing circuit. An ungate switch allows all signals to pass through the system. Another pushbutton is pressed to test the operation of the pen amplifier and pen movement. A shutter switch can be used to open the shutters on the detectors. The shutters, normally closed, open when a train passes the transducer. The chart timer circuit allows the shutters to close five seconds after the last wheel of the train has passed.

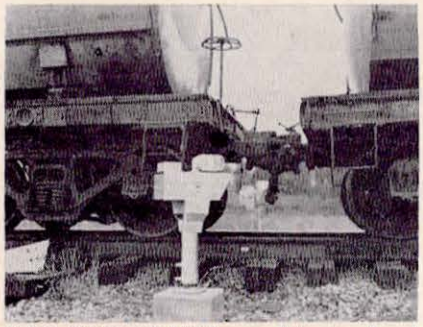
This GE detector system uses the Sanborn Company Twinviso pen graph recorder. One of the three railroads, which uses carrier for transmission of the detector signals, set the recorder on top of the carrier receiver equipment case. The recorder may be mounted on a shelf inside this case. Another railroad, when testing the system prior to putting it in service, placed the recorder in the field case at the detector location.

For the adjustment of the detector head to be sure that it is properly aimed toward the car journals, GE developed a template and a simulated hotbox consisting of an electric lamp unit. The template, placed on the track, indicates the aiming point of the detector head and shows the actual average location of the journal. It has a two-dimensional scale to indicate the exact location of the electric lamp with respect to the rail.

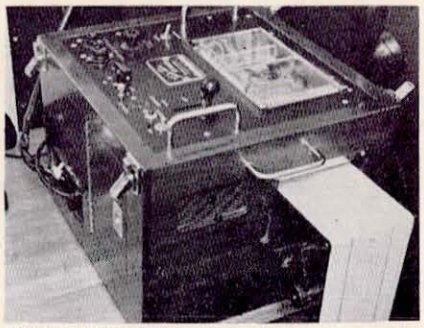
Here's the GE equipment in service on 3 railroads:



POWER SUPPLY (buried in ballast) has short leads to detector head.



ONE RAILROAD has a detector head on a pedestal to compare its operation with a tie-mounted detector below. Pedestal mounting keeps the detector head above snow.



PEN GRAPH recorder may be mounted in receiver cabinet at yard office or interlocking tower, or placed on nearby shelf. Recorder is made by Sanborn Co.

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The efficient, dependable performance of an Air Conditioning System depends on its motors and related controls for continuity of service . . .

"SAFETY" MOTORS are an integral part of all "Safety" Air Conditioning components. They are designed specifically for railroad service . . . to insure maximum efficiency with low wattage consumption . . . thus differ materially from commercial equipment designed for general uses . . .

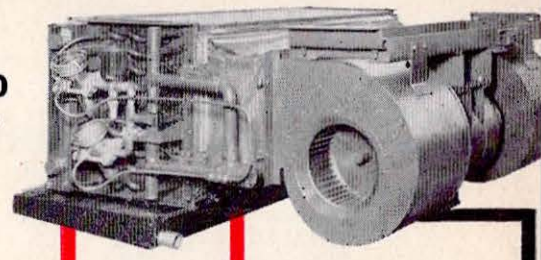
"SAFETY" CONTROL PANELS . . compact and simplified . . . assure ideal compressor motor starting and running performance.

A complete **AIR CONDITIONING SYSTEM . . . by "SAFETY" . . .** including

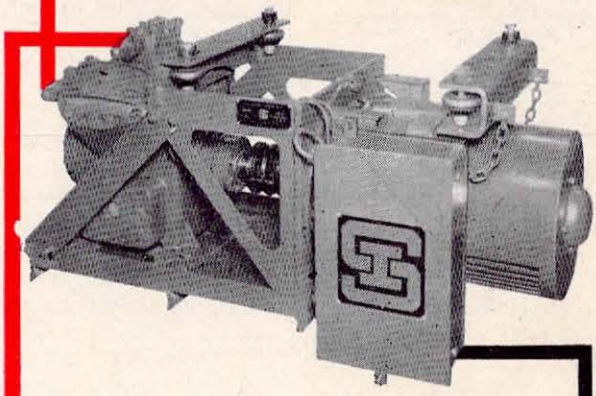
- **direct driven compressor**
- **evaporative or air-cooled condenser**
- **overhead evaporator unit**
- **motor control panel**

assures the railroad of "Safety's" undivided responsibility for the proper performance of the *entire* air conditioning system.

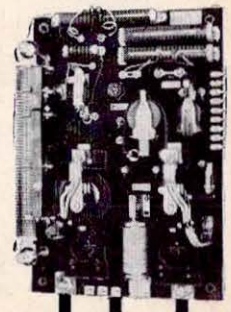
In addition to standard Air Conditioning equipment, SAFETY has a complete line of ceiling and package-type air conditioners designed for special types of cars and conditions. May we send further information?



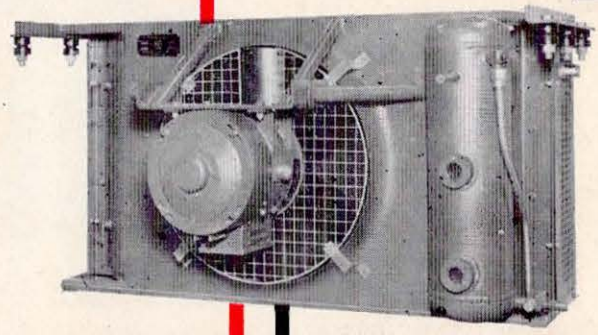
"SAFETY" OVERHEAD EVAPORATOR UNIT



"SAFETY" MOTOR CONTROL PANEL



"SAFETY" DIRECT DRIVEN COMPRESSOR



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A PRIMER ON INFLATION

People have been clipping coins for 3,000 years

Ptolemy I issued the coin bearing the likeness of Alexander the Great, above. Who took the bites out of it, we don't know. But stealing from the coinage is as old as coinage itself. The sword or knife cut in the coin of the Greek city of Aspendus, below right, was a common act of suspicion—a test to see whether a coin was precious metal all the way through. Some plating was remarkably thin. Henry VIII became known in his own lifetime as "Old Coppernose," as the silver coating wore off the high point of coins bearing his likeness.

By the 16th and 17th centuries, clipping and filing of coins had become so common that mints began to mill the edges of coins to discourage it.

But, all through history, the real money villains were the governments themselves. Instead of clipping coins in fact, they clipped them in effect—putting less gold or silver into them in the first place. Here's part of the record from Encyclopedia Britannica . . .

Of the debasement of silver under Nero: "It can be nothing but the device of a spendthrift government for meeting its obligations cheaply."

Of the debasement under Gallienus: "The Antonianus was no longer taken at its face value; confusion reigned and prices rose to absurd heights."

Of Aurelian's reform efforts: "Gold was not restored on a reliable basis and the process of inflation began again."

No pun intended, deflation of the value of money and inflation of prices of the things money buys are two sides of the same coin.

Today, the money situation is more explosive than ever. Because governments now have the easiest way yet to in effect "clip" the money of all of us.

Today it's the government that does the clipping

No cutting, no filing, no melting down and mixing in lead. Instead, you just add a lot of *new* money to the supply—as easy and as quick as adding water to soup. Whereupon every dollar does a little less buying for you—just as every spoonful of soup is less nourishing.

How do you turn out new money? You don't just lay the whip to the printers in the pressroom at the Treasury, as they did in Germany after World War I. Essentially, the government doesn't issue new money tokens at all. It's simpler than that. What the government issues is new credit.

In modern commerce, a nation's money supply is more than just its coinage. Credit is a vital part of it, and the biggest thing in credit today is the federal debt—approaching $290 billion. For years government spending has outstripped revenues. A steady stream of notes and bonds must be issued to make up the difference.

COIN CLIPPING starts here, with a Treasury that's forced to borrow.

Commercial banks are the principal source for such borrowing. The banks take the bonds; in essence, they credit the government with having deposited that amount of money. Just as you take your paycheck to the bank, deposit it, and get a receipt for that amount of money. Afterwards, you can write checks on the strength of your deposit. So can the government.

But there's this difference. Salaries, wages, and the return on capital are all directly connected to the production of goods or services. You perform a service, or make a product, to earn your pay.

The function of government is not to produce this kind of real wealth. So when spending exceeds the tax take—as it so often does these days—the government must create "artificial" money to make up the difference. New dollars are pumped into the economy, diluting the money already there. Be-

cause each dollar is worth less, prices go up. This tends to put the government further behind the next time around, so it must issue still more bonds. And the footrace is on.

The obvious thing to do is put government on a fully pay-as-you-go basis. But this means reduced spending, higher taxes, or self-supporting projects—perhaps some of all three. Meanwhile, imports swell and exports shrivel as prices go up and up.

Inflation starts quietly, endorsed by those who initially benefit. Once started it grows; becomes harder and harder to stop. The creep can become a gallop. Disillusionment sets in. And in the long run inflation ruins everybody.

Return on 1935-46 Savings Bond Issues After Income Tax and "Inflation Tax"

Bought for $75 in	Maturity value of $100 in	Initial (lowest) personal income tax rate	Income tax on $25 interest	Maturity value less income tax	"Inflation tax"—increase in cost of living index over the 10 yrs.*	Amount of "inflation tax"	Maturity value less income tax & "inflation tax"	Dollars of original investment lost	Average annual rate of loss
1935	1945	23.0%	†	$100.00	35.9%	$26.42	$73.58	$ 1.42	0.19%
1936	1946	19.0	†	100.00	44.2	30.65	69.35	5.65	0.75
1937	1947	19.0	†	100.00	55.7	35.77	64.23	10.77	1.44
1938	1948	16.6	†	100.00	70.5	41.35	58.65	16.35	2.18
1939	1949	16.6	†	100.00	71.4	41.66	58.34	16.66	2.22
1940	1950	17.4	†	100.00	71.6	41.72	58.28	16.72	2.23
1941	1951‡	20.4	$5.10	94.90	76.5	41.18	53.77	21.23	2.83
1942	1952‡	22.2	5.55	94.45	61.2	35.86	58.59	16.41	2.19
1943	1953‡	22.2	5.55	94.45	51.3	32.02	62.43	12.57	1.68
1944	1954‡	20.0	5.00	95.00	47.7	30.68	64.32	10.68	1.42
1945	1955‡	20.0	5.00	95.00	43.5	28.80	66.20	8.80	1.17
1946¶	1956‡	20.0	5.00	95.00	34.0	24.10	70.90	4.10	0.55

*Cost of living index for 1942-47 adjusted by the Council of Economic Advisers, according to the findings of the President's Committee on the Cost of Living, to show the wartime effects of changes in quality, availability of consumer goods, etc. †Income tax exemption allowed on interest from $5,000 or less principal value of Savings bonds issued 1935-40. ‡Continued interest accumulation optional for an additional ten year period. ¶Cost of living index for 1956 based on figures for first three months.

Source: First National City Bank

Your clipped money buys less and less and less

The mirage of inflation soon loses its charm when buying power shrinks. That shrinkage has been going on, almost without interruption, for 20 years or more.

Ask any housewife what has happened to her grocery bills. Or the price of a new automobile. Or any of hundreds of other things that are bought and used every day.

Today's dollar is worth only 49 cents in terms of 1939 buying power. A house that rented for $103.50 just ten years ago now runs to $139.50. The cost of living has been edging higher and higher—up nearly 25% since 1948.

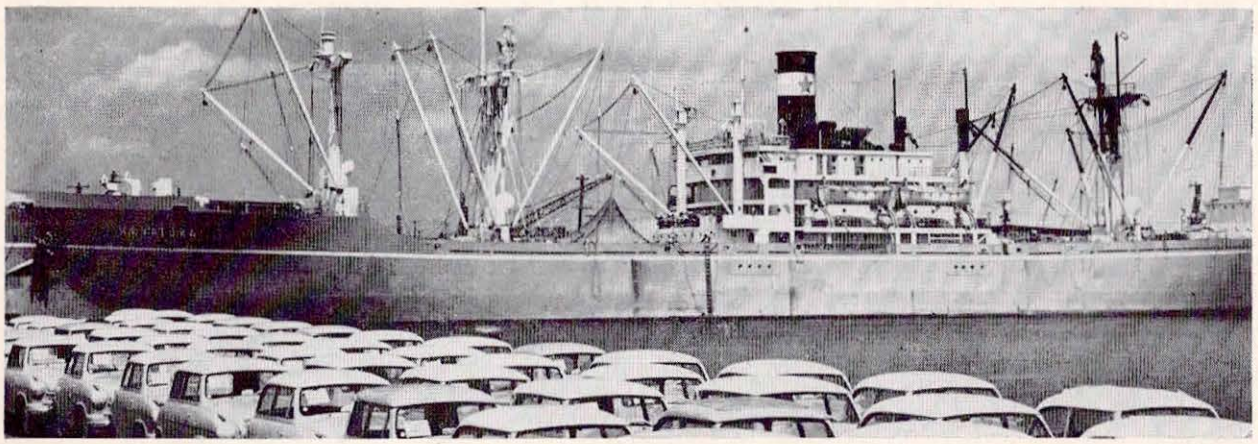
To those who can't readily increase their incomes —the man who invests in savings bonds or insurance, the pensioners, schoolteachers, small shopkeepers and the like—this constantly rising price of goods and services is decidedly real. Inflation is no longer abstract theory but a vivid here-and-now problem.

Railroad men are no strangers to the deflated dollar either. They have been hit on two sides by the wage-price race.

Between 1945 and 1958, the amount of transportation service turned out for each hour employees were paid rose 54%. But average wages per hour went up 157%. The index of spot prices of railroad fuel, material and supplies hit 143.7 this summer—up from 107.1 since July 1950.

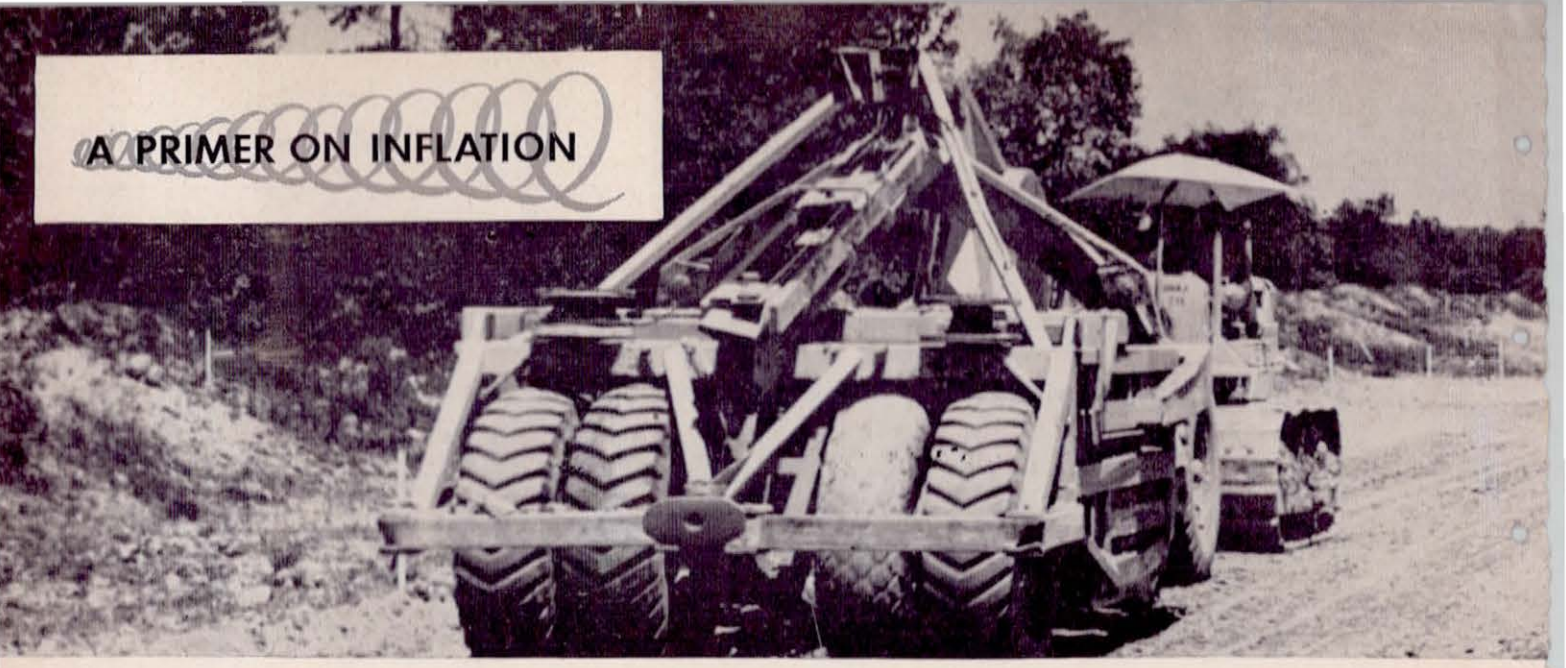
The railroads, in fact, illustrate clearly one of the basic evils of inflation. The process never affects all groups equally. Prices and wages go up in one place; later the process spreads to other places as other groups strive to "catch up."

But for those who are unable to advance their earnings—and railroads belong in this group—they merely find themselves obliged to get by on less and less. That's where inflation hurts.



The Atlantic is becoming a one-way street: foreign cars arrive at New York.

A PRIMER ON INFLATION



Inflation at work: nobody wants to pay

Ewing Galloway photo

Non-inflationary: income and outgo in balance

If all the money that government spends for air, water and highway expansion were recaptured from those who use such facilities—together with property taxes on them—transportation would cease contributing to inflation at all.

Up to now, things haven't worked that way.

Government bodies — federal, state and local—are pouring billions of dollars into new work.

Highway building accounts for an important share of this surge in spending. By plowing ahead with it, the government put an end to the flurry of toll-road building that took shape in the early 1950's.

These pay-as-you-go toll roads have almost ceased expanding; some find it hard, already, to earn enough to pay bond interest.

Of course, willy-nilly spending by government contributes to inflation—in transportation as anywhere else. It generates more and more clipped dollars; and it removes more and more tax-paying property from the tax rolls. If users paid for these facilities, through user charges, and if government taxed this public-built plant the way it taxes railroads, the approach would be more than merely refreshing. It would bring inflation in transportation to a halt.

This would help. After all, an estimated one-third of the nation's real wealth is invested in transport.

nard cash for the new highway system . . .

Posed by models

Not the taxpayer

Everybody groans about high taxes now. Government spending saps 30% of national income already.

Not the legislator

Raising taxes to finance highways hasn't been popular politics. It's easier to borrow and clip dollars.

Not the special user

He's the last one who'd want to pay. His service is in the "public interest." Why not let the "public" take the bill?

. . . so your dollars get "clipped" again

Here's what happened:

Events leading up to Congressional approval of the new 1-cent increase in the federal gasoline tax, effective Oct. 1, follow a now-familiar pattern. How quietly more deficit spending creeps in, eased along by those who temporarily gain by it!

January 19, 1959: The President submits his 1960 budget to Congress. In it he points out that the Interstate highway program begun in 1956 is expanding faster, and costing more, than originally figured. By next June 30 it will face a $241 million deficit; a year later it will be more than $2 billion in the red.

Since the program is "self-supporting" on the basis of tax-diverted dollars, the President asks for a 1½-cent increase in the federal tax on gasoline, beginning July 1.

March 1, 1959: Opponents to the idea are in full bay. Among them are numerous Senators and Congressmen, a committee of state governors, an occasional state legislature and a host of interest groups.

May 13, 1959: The President again asks favorable action on the gas tax.

May 21, 1959: The House Public Works Committee comes up with an alternative proposal: suspend pay-as-you-go for just two years. Meanwhile, boost the 1962 authorization from $2.2 billion to $2.5 billion.

June 15, 1959: Senator Case suggests the Treasury issue interim revenue bonds, totaling $5 billion, to tide things over.

June 25, 1959: Once more the President asks for the tax hike, and calls alternative ideas "unacceptable."

July 22, 1959: Hearings open before the House Ways & Means Committee. A parade of witnesses urge "no tax increase"; suggesting, in its place, repayable advances or loans or revenue bonds. After all, highways are important to national defense.

August 13, 1959: After much hassle, Ways & Means votes for a 1-cent gas tax boost to run through June 30, 1961. With it, it approves diversion of more excise taxes.

August 25, 1959: "A step in the right direction," says the President. But this added diversion will merely shift the fiscal problem from highways to the Treasury.

September 9, 1959: Congress clears the penny bill, including diversion.

September 22, 1959: President Eisenhower signs the bill into law, noting, as he does so, that it will not provide all the revenue that's needed.

So the coin clippers won a partial victory. But for the shift in public opinion on inflation since January 1, it might have been worse.

Nor does inflation in transportation stop there. In its waning days, Congress passed, after two vetoes, a new rivers and harbors bill containing a host of new projects for coming years.

NO TAX is big enough to pay for all the roads

NO TAX recoups the vast amounts governn nt

Compounding the Inflation: "free" (!)

don't go on the tax rolls

An economist a few years ago put the case very simply: "Government expenditures must eventually be paid out of the proceeds of taxation: To put off the day merely increases the problem."

In transportation you have this axiom working in a particularly vicious form. Much—if not most—government spending for "public" transportation plant is on credit. The day of reckoning is continually postponed. In the meantime this credit breeds inflation and clips more dollars. And when the day of reckoning does come, as it inevitably must, the taxable property base will be just that much smaller. Highways and airports use up land in great bites.

This galloping land consumption shrinks the tax base. In doing so it hits especially hard at local communities which draw most of their tax revenue from levies on property. In one New Jersey town, for instance, nearly $2 million in taxable real estate was razed to make way for a modern four-lane highway. Repeat this in enough towns and cities, and a nagging question arises: Who will eventually pay for these roads—to say nothing of schools, police forces, firemen and other essentials? Federal and state governments can't do everything; even the income tax has its confiscatory ceiling—its point of "decreasing returns."

Altogether, in 1959, federal, state and local governments will lay out about $12 billion on construction and maintenance of transportation plant of all kinds (except railroads, of course). The federal share of the Interstate highway system will account for around $3.5 billion of this, leaving the lion's share to be raised from general funds, property taxes, bonds or other sources.

One upshot of the growing network of tax-free highways, airports and waterways is to throw valid transportation economics into the ashcan. The operator, efficient or not, who has his right-of-way provided for him, can actually be the least expensive to use; the carrier who is assessed little or no charge for his use of "public" plant is able to shove his competitor into a ditch, regardless of efficiency.

The record overflows with cases that emphasize the point. As an article in August "Reader's Digest" pointed out, airlines and water carriers pay nothing at all toward construction and maintenance of their rights-of-way and signaling systems. Motor carriers do pay taxes—registration, mileage fees in some states, fuel and equipment taxes—but these, at best, only contribute to the cost of building and maintaining the highways. They certainly don't pay the full cost, including property taxes.

Such conditions hit the railroads from two directions at once. Their competitors in the business of hauling goods and people can maintain lower rates than they otherwise could; and to the extent that somebody, someday, has to pay the bills, the railroads and other taxpayers, *whose property is not tax-exempt,* are having to make up the difference.

There are several ways to end America's Alice-in-Wonderland treatment of transportation and, with it, dampen the inflation it creates.

One answer would be to spend on air, water or highway facilities only the amounts that could be collected in full from the users. Finance them, in a sense, as toll roads were financed.

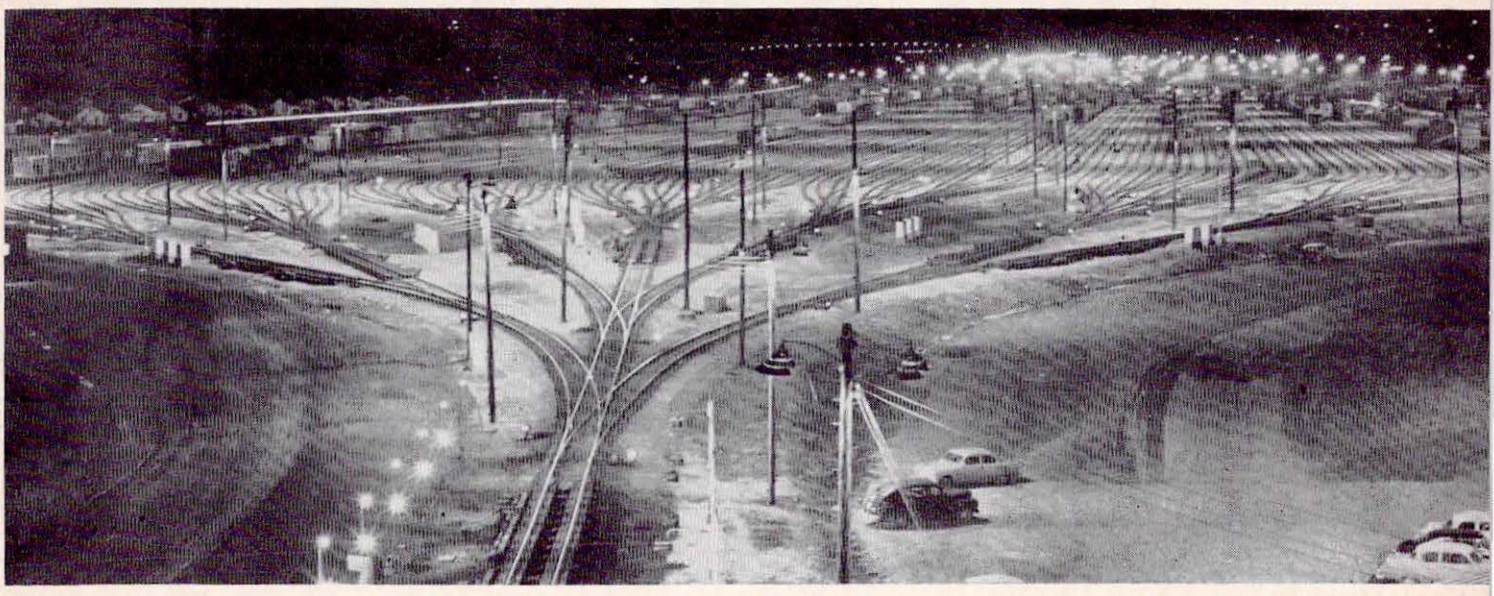
Another idea that is sometimes advanced is that of imposing tax valuation on all government transportation property—the same as if it were privately owned. User charges could then be hinged to total cost, not just to construction and maintenance expense. Such action would be a strong move toward restoring balance in what is now thoroughly unbalanced transport competition.

The exact method of stemming inflation in transportation, of minimizing government's invasions into the field, is really not the chief difficulty. That difficulty is stirring up the public. An effective method will come easy, once the public makes up its mind to act.

spends on waterways

NO TAX need be figured in operating modern airports

roads, waterways and airports



(whereas railroads are heavily taxed)

Railroads pay over $1 million a day in state and local taxes alone. Add the federal take and the sum exceeds $2.5 million daily, 365 days a year.

Wilbur K. Bush, general tax agent of the Burlington, pointed out in a speech earlier this year that railroad revenues have gone up an average of less than 1% a year in the past decade. State and local taxes have risen 3 to 3½% a year in the same period.

Railroads pay about 5% of all property taxes collected in the country—and this tax bill absorbs nearly 4% of the carriers' gross revenues. By contrast, such taxes consume less than 1% of motor carrier revenues.

Nor are property taxes alone the whole story. Even in a year like 1958, when railroad earnings were much depressed, federal income and payroll taxes ran to around $550 million.

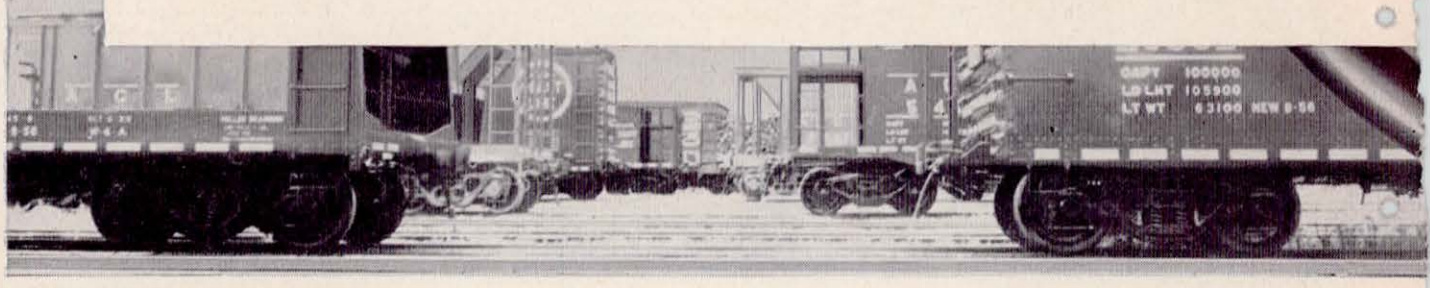
The key to much of the railroad tax burden is that they go almost everywhere. The rail line, or station, or yard is always there, easy to find and tax. In many communities the railroad is the bedrock tax source for schools and other essential services.

Many of the taxes that blanket railroads are wholly unrelated to earnings. Yet these same earnings pay tax bills and are affected by "free" highways.

Inflation in transportation doesn't merely clip railroad dollars. The taxes they pay, compared with what their competitors don't pay, is just another way of undermining the nation's basic transportation resource.

Performance record proves:

Timken® Bearings eliminate the hot box problem!



The performance record of Timken® tapered roller bearings in service on America's railroads proves they cure the hot box problem—No. 1 cause of freight train delays. Here are the facts: Since 1954, Timken "AP" journal bearings have averaged 136,000,000 car-miles per failure due to overheating—*500 times friction bearing average car mileage.*

You get this performance because:

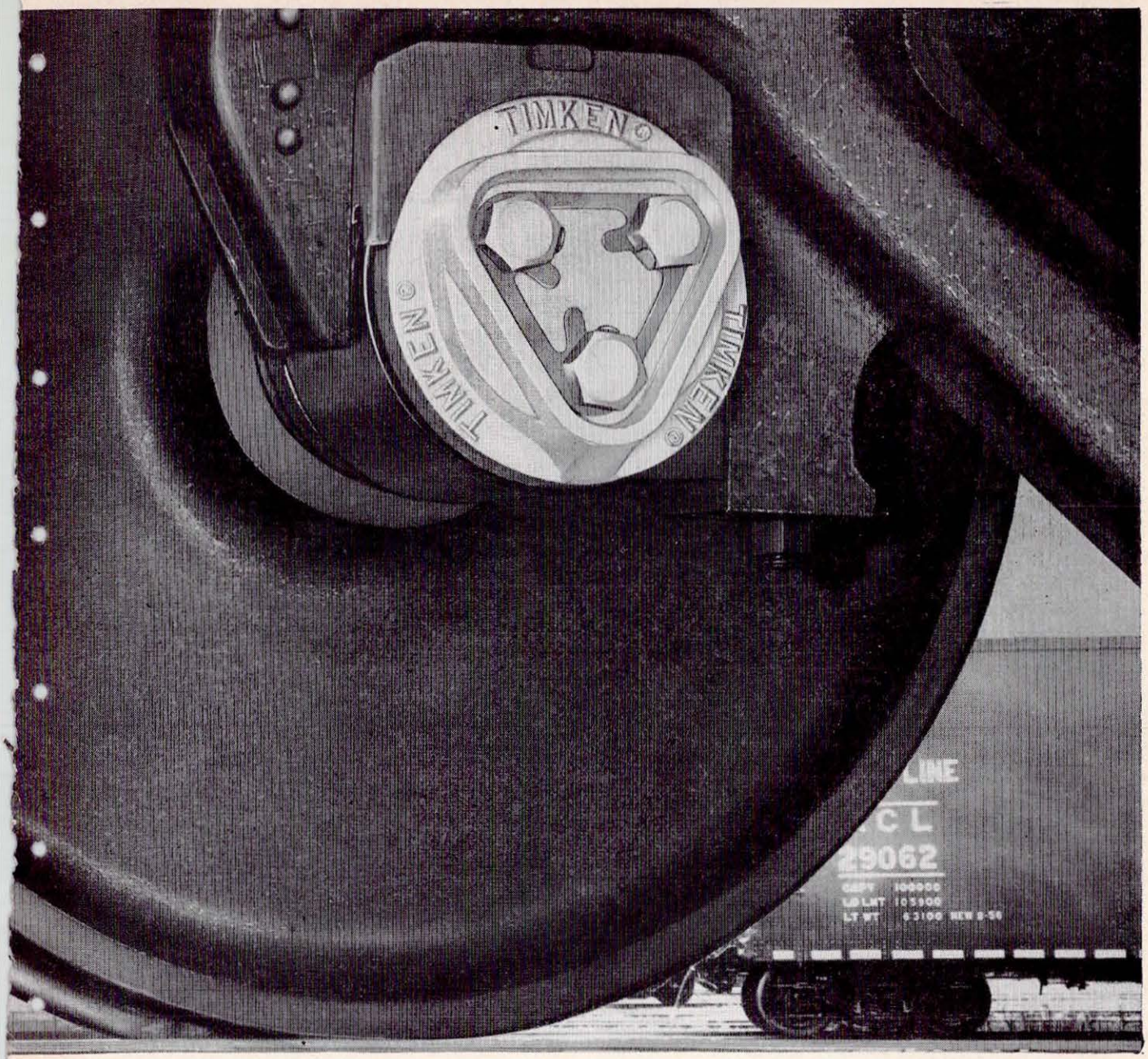
1. Timken journal bearings are *tapered* which gives them the ability to take radial as well as thrust loads. There is no more economical way to get high load-carrying capacity in a bearing.

2. *They're made of nickel-rich steel* to make them tough. We make this steel ourselves.

3. *Sixty years of manufacturing experience* built a new plant in Columbus, Ohio, devoted exclusively to the production of Timken "AP" railroad bearings. New highs in uniform quality and precision, achieved here, assure top performance.

4. *More than 25 years experience* working directly with railroad operating people has given us the engineering know-how to give railroads the trouble-free performance they need.

When you buy or build cars, specify Timken "Roller Freight" and get *more*—starting right now—from your freight car investment. 86 railroads and private car owners now have over 42,000 "Roller Freight" cars in service or on order. "Roller Freight" is rolling. The Timken Roller Bearing Company, Canton 6, Ohio. Cable: "TIMROSCO". *Makers of Tapered Roller Bearings, Fine Alloy Steels and Removable Rock Bits.*



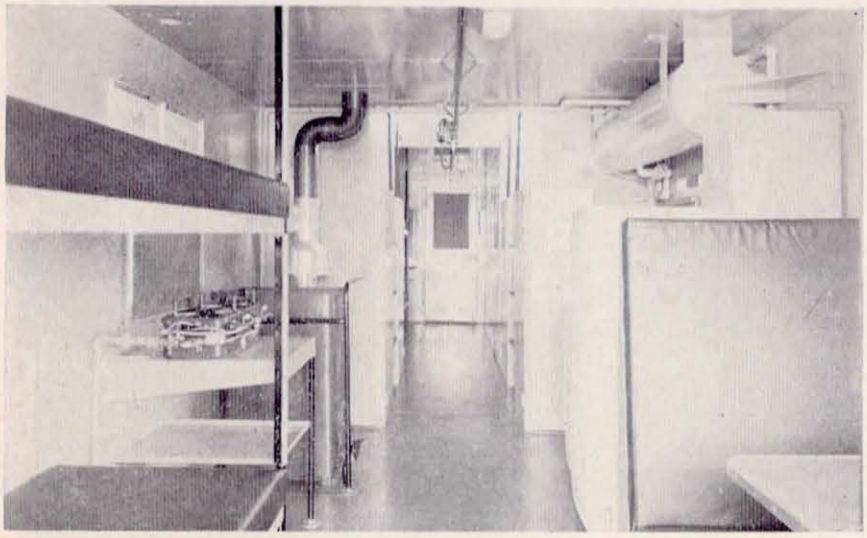
BETTER-NESS rolls on

TIMKEN®

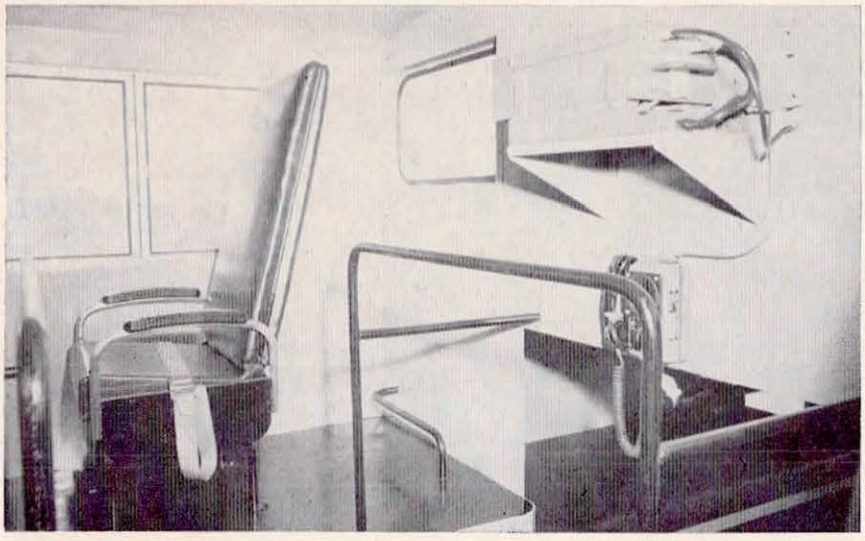
tapered roller bearings

D&H Gets 10 New Cabooses

EXTRA-WIDE-VISION cupola is a feature of the new cabooses.



CARS HAVE PROPANE GAS hotplate, heater and refrigerator.



WALK-OVER SEAT in cupola has extra high back for full head support, foot rest, and safety belt. Radio hand set is nearby.

Crew comfort and efficiency are built into ten caboose cars recently placed in service by the Delaware & Hudson.

Assigned to Wilkes-Barre, Pa.-Oneonta, N.Y. freight operations, the cars are used on all D&H freight trains in Pennsylvania, except for local runs. The cars meet or exceed all ICC or AAR standards and recommendations. They fully satisfy all state labor caboose car regulations and sanitation laws in effect in D&H territory.

Built by the International Car Division, Morrison International Corporation, the caboose design features the manufacturer's extra-wide-vision cupola. All windows, except those facing forward or backward, slide open for ventilation. They are of laminated safety glass and are equipped with aluminum screens and roller shades. Fixed windows are secured by rubber seals. Sliding windows in the cupola and raise windows in the car body have aluminum sash.

Comfort of the crew is promoted by construction specialties that give smooth, easy riding to the car body. The underframe is equipped with Miner rubber draft gears of freight capacity for heavy pusher service. Standard Car Truck special caboose car swing motion trucks have steel wheels on 5 by 9 axles, RS journal stops, Magnus lubricating pads and journal bearings.

Other comfort factors are polyfoam seat and bunk cushions upholstered in black vinyl plastic. Both the conductor's swivel chair and the dining section seats have 52-in. backs for comfort and safety.

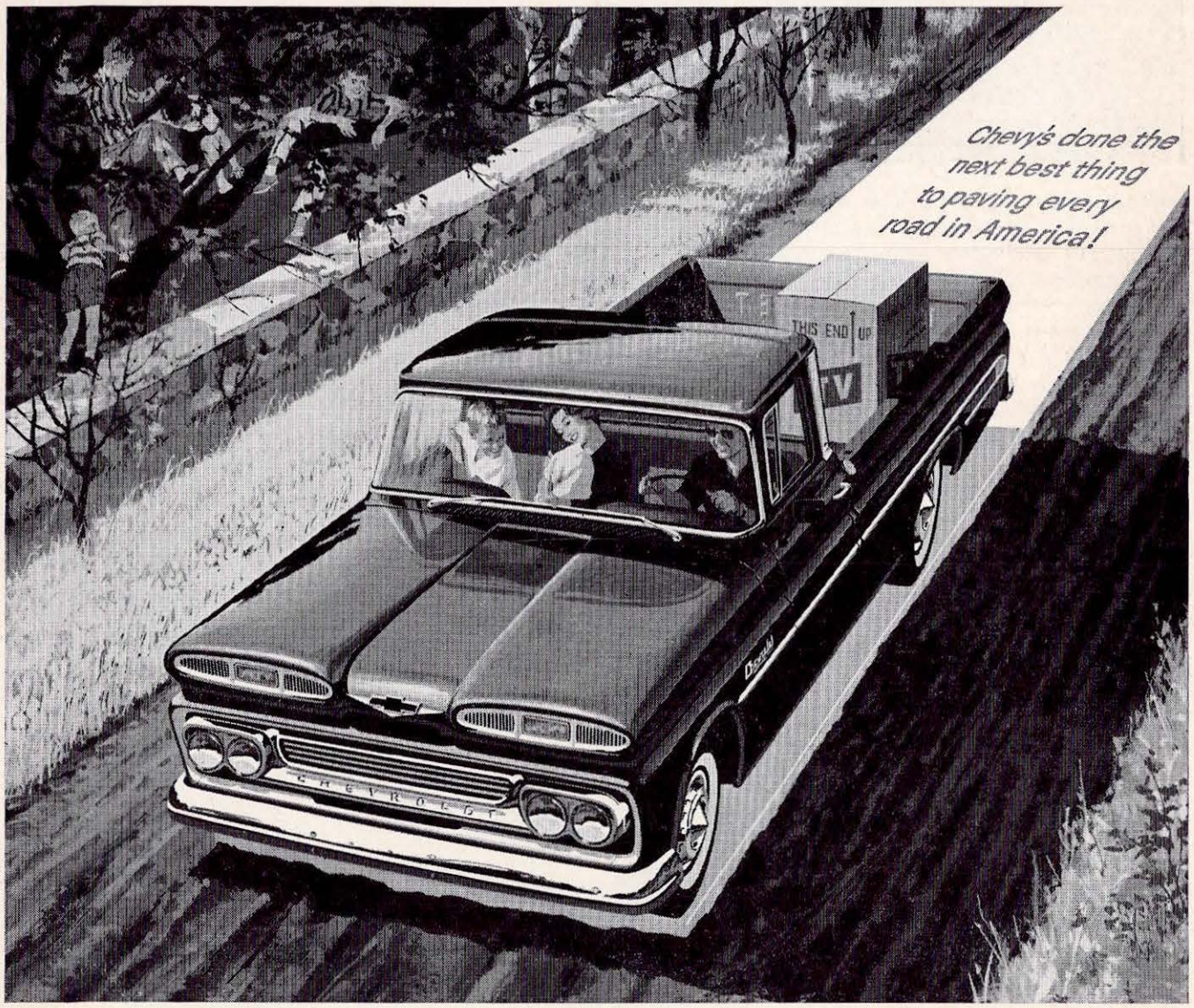
An outstanding feature of the new cabooses is the provision of a 12-gage sheet steel toilet and washroom compartment with stainless steel flushing hopper, stainless steel lavatory, soap dish and towel dispenser. Water is supplied by gravity from an overhead steel tank which is strapped to the ceiling. It is filled from the outside through an underfloor connection.

Fixtures for ceiling lighting and desk light are from the Luminator Co. Power is supplied by an Onan 2KW 110V-AC electric generator with propane vacuflow cooled gas engine. Marker lamps are lighted from an Exide LX-4B battery on a special 12 volt circuit. A standby electric service is achieved by plugging in 110-AC from regular outside power source.

Radio communication is provided by a Motorola two-frequency set with new, improved speaker, handset, etc. There

(*Continued on page 28*)

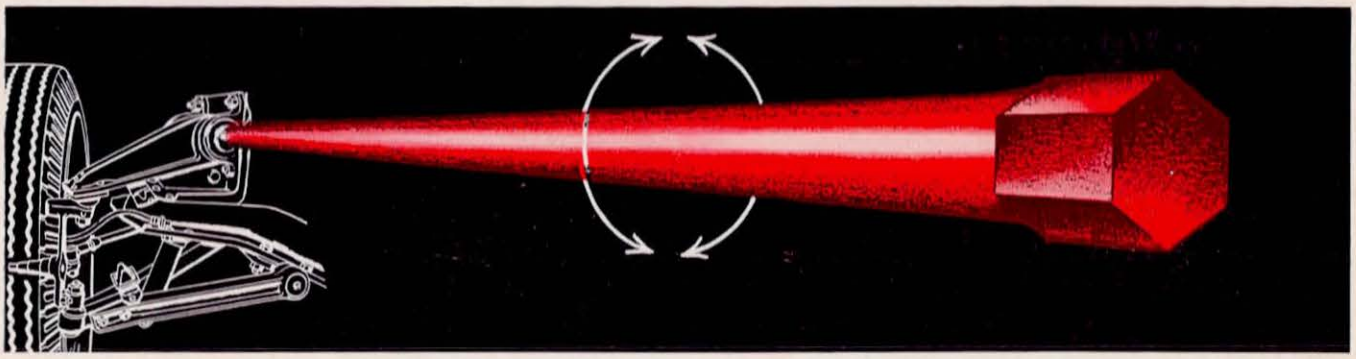
ANNOUNCING
Chevrolet trucks for 1960 with total newness!



Here comes the biggest improvement in trucking in decades . . . a revolutionary improvement that can make any truck route in America a far smoother road to bigger profits for you. Turn the page for the hottest news for truckers since coffee was invented!

new torsion-spring ride!

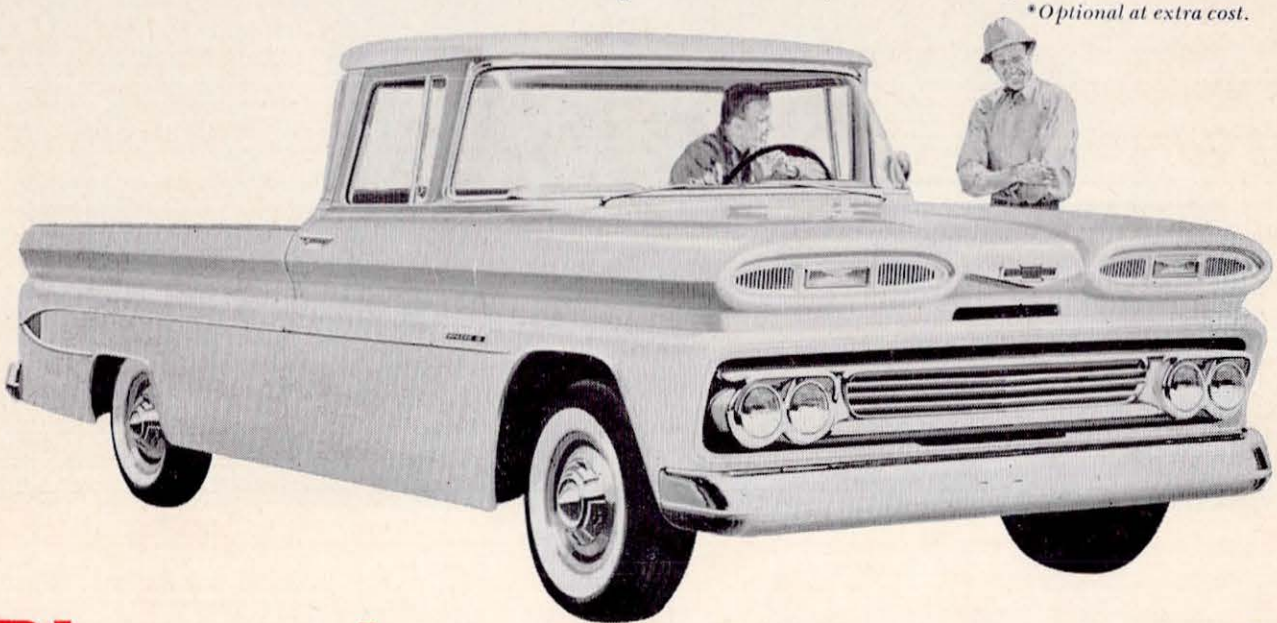
THE SMOOTHEST THING THAT EVER CAME BETWEEN A ROAD AND A LOAD!



Independent front suspension with tough torsion bar springs . . . for trucks! Years in the making, this totally new suspension system protects everything from bumps and jolts . . . provides a new kind of performance that lengthens truck life, protects cargoes, reduces driver fatigue and cuts maintenance expense to new lows. Independently suspended, each front wheel steps cleanly over bumps. And the friction-free torsion bars work to absorb each jolt or jar; they flex freely, even on the smallest bumps, yet have the capacity to absorb severe shocks. The result is a truck ride so wonderfully smooth that it must be experienced to be believed! And it's now *standard* in *all* classes of 1960 Chevrolet trucks!

Three tailored-to-the-truck rear suspensions complement the revolutionary torsion bar independent front suspension. *In Series 10 and 20 models,* frictionless high-capacity coil springs ease the rear axle over bumps. *In Series 30* and 40 models,* a new two-stage leaf spring provides tailored springing action . . . *and in Series 50, 60, 70 and 80 models,* all-new variable-rate rear suspension gives spring resistance that adjusts automatically to cushion any size load.

**Optional at extra cost.*

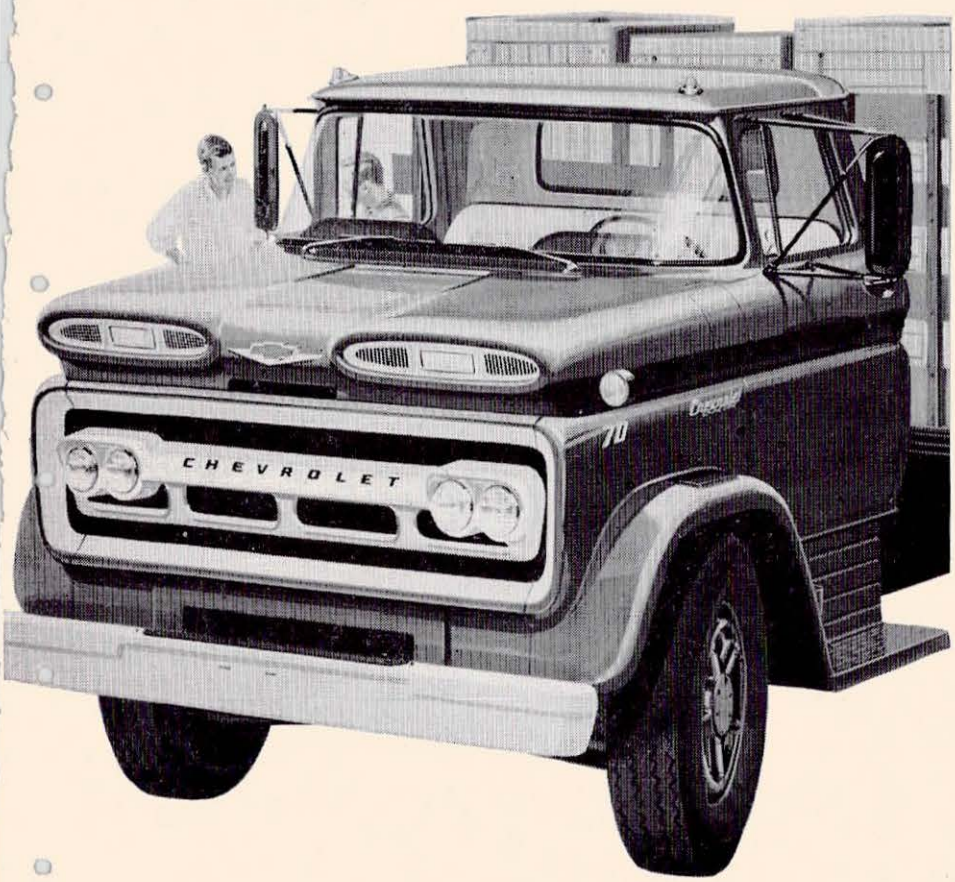


Chevrolet trucks for '60

new style, new models!

NEWLY ENGINEERED FOR EXTRA SAVINGS THROUGH EXTRA STRENGTH!

Rolling in on revolutionary torsion springs, these 1960 Chevies are smooth as silk yet tough as nails . . . totally new in scores of profit-boosting ways! In the light-duty class, for example, big new Series 40 chassis-cabs and stakes add to your earning power with G.V.W's up to 14,000 lbs. And virtually every model offers a new lower-to-the-ground build (without sacrificing road clearance) which improves truck stability and makes cab entry easier. In the big-truck class, too, Chevy for '60 sports big-profit G.V.W.'s – up to 19,500 lbs. in middleweights and 36,000 lbs. in heavyweights – with stronger components including new frames with more massive bracing and brawnier side rails, new bigger brakes, and the latest in low-cost V8 or 6-cylinder power.



New Comfort-King Cabs! There's more comfort than ever before, with 5 inches more shoulder room, 6 inches more hip room and more leg room and head room, too! A new wider seat, combining S-wire, coil and flat spring elements, offers a new high in easy riding. And Chevy's new double-walled cowl and new double-panel roof construction provide extra ruggedness and long life.

New custom cabs! Available in all 1960 cab models, they include distinctive exterior door pillar and rear belt line moldings . . . handsome chrome grille (light-duty models) . . . new Super Cushion Seat with foam seat cushion and backrest . . . sunshade, armrest, cigar lighter and control knob trim.

New compact L.C.F. models! Twenty-six new Chevrolet Low Cab Forward models with short cab design allow for maximum length trailers and extra cargo space. Short wheelbase and turning radius give exceptional maneuverability. Bumper-to-back-of-cab dimension is as short as 90 inches. G.V.W.'s go up to 25,000 lbs. and new cab design makes entering easier. And in series 50 and 60 models you can choose 6-cylinder or V8 power.

New tougher built tandems! They're the best built Chevy tandems yet with Hendrickson RT320 rear suspension, two 16,000-lb. Eaton rear axles and 7,000-lb. front suspension (9,000-lb. front suspension optional, extra cost).

And they're POWERED to improve your profit picture, too! Chevy for '60 offers a *wide* choice of better-than-ever power plants; in every weight class you can choose from famous economy 6's or V8's that lead the field for efficient short-stroke design! Three big sixes and four advanced V8's allow you to match the engine to your job for top performance.

Chevy's 1960 trucks with *total newness* are now on display at your Chevrolet dealer's, so stop by sometime soon! . . . Chevrolet Division of General Motors, Detroit 2, Mich.

CHEVROLET

with total newness!

D&H GETS 10 NEW CABOOSES (*Continued from page 24*)

is also a rack for a walkie-talkie.

Heat is supplied by a propane gas space heater of 53,000 BTU capacity. Kitchen appliances include a propane hot plate and a 6 cu ft propane gas refrigerator.

Although the car builder constructs cabooses of either riveted or welded design, the D&H selected all-welded construction to more adequately meet its requirements. A Lincoln submerged arc automatic welder was used in welding the longitudinal seam in the 51.2-lb center sills, producing 100% penetration welds. Final assembly of the underframe was done with the aid of a special jig. Some riveting is employed to secure the rear draft lug and the body center casting to the underframe and to join the steel striker with front lugs to the center sill.

Collision posts, equal to the requirements of new passenger equipment, consisting of 6-in., 25-lb-per-ft H-beam section, were used. Sides, fabricated from 10-gage sheet steel, were assembled on elevated jigs which held the sheets at a convenient height above the floor. Sheets were then tacked to the body framing by use of Aircomatic spot welding, thus preventing buckling.

The final application of the exterior side sheets to body framing was made by submerged arc automatic welding. The 14-gage inside lining sheets were applied to body framing by spot welding. Body side posts consist of 3-in., 6.7-lb-per-ft Z bars. Body side frames are reinforced by belt rails. Wood nailers were not used.

Diagonal panel roofs are of 14-gage steel and attached by pull-type rivets. The "W" side plates are welded to the body side sheets and are welded to the body side posts. The interior 14-gage ceiling is attached with self-tapping screws to full car width ceiling hangers.

Walls and ceiling of car's interior are lined with 14-gage steel, finished in grey enamel with black trim. To minimize extremes in temperature, a three-inch layer of fibre glass insulates body and cupola sides, ends and roof.

The floor is of double construction, consisting of a 1¾-in., finished size, tongue and grooved deckling laid crosswise of the car and secured with three water tight bolts through each piece of decking. Over this sub-floor is a coat of paint; one layer of 90-lb paper; and a layer of 25/32-in. finished size select tongue and grooved flooring and an asphalt-type floor material.

Railroading After Hours with Jim Lyne

WRONG WORD DEPARTMENT—While lamenting my (September 21) error in suggesting the repeal of the "commerce clause" (what I meant was the "commodity clause")—in comes a letter from transportation consultant Bob Banks of Washington, D.C., calling attention to page 47 in the praiseworthy book "Competition in the Transportation Industries," by Meyer, Peck, Stenason and Zwick. These scholarly gentlemen have tabulated an expense item as "Insult and injuries to persons (per train-mile)." It's a good thing none of us is engaged in writing train orders as a profession. I always think of train dispatchers, operators, and trainmen when I'm caught in a mistake like this.

INSULAR RAILROADERS?—There have been a lot of study groups of European and other overseas railroaders who have visited North Amercia, to observe our practices—but how many North Americans ever spent any great amount of time studying railway practices in other countries? It could be that we could learn useful things from others, as they do from us.

The relatively few railroaders I know who have gone to Europe to study railroading (instead of, mostly, the conventional tourist attractions) have not come back empty-handed. There's reason to suspect (just for instance) that the Europeans are almost a generation ahead of us in freight service pricing—especially in the regulation thereof. And they seem to be doing relatively well with their passenger service (although, of course, the principal reason for that is probably their fewer automobiles).

JAPANESE SUPER-RAILROAD—I've been reading a pamphlet issued by the Japanese National Railways on their projected Tokaido Line. It would be standard gage (as compared to the 3½ ft of existing lines), electrified. Passenger trains would make the 310-mile run in 3 hours (103 mph average) and freight trains in 5½ hours (56 mph).

The present line, which the new line would parallel, has almost reached its capacity. Its freight traffic (ton-miles) increased 86% from 1950 to 1957 and its passenger-miles 58%. Traffic on this one relatively short line represents about 23% of total freight and passenger traffic on all Japanese railways.

One feature of the new line would be that all freight would be carried piggyback—hence practically no industrial sidings or yards would be needed, thus greatly reducing both capital and operating costs.

UPSURGE IN EDUCATION—Northwestern University's Transportation Center appears to be developing a lot of momentum as a place of high-level educational activity in transportation. Having run a successful 2-week seminar in August on transportation pricing, the Center has now scheduled a 5-week "general course in transportation," beginning October 19.

As I look over the prospectus, it seems that the purpose of the course is not to get into elementary questions at all—but to spend the time on top-level policy issues; and to familiarize the participants with the statistical and computer techniques needed to resolve some of these important questions.

Director Norton E. Long of the Center tells me they're not "trying to make amateur statisticians or economists" out of the participants—but to show them how to make effective use of the people and methods available in this zone.

I'm glad to see this academic interest in transportation problems at many leading universities. The industry hasn't had enough of such attention—until quite recently. With the number of able people now working intensively in this area, some interesting developments may be expected.

Should Retirement Age Be Set?

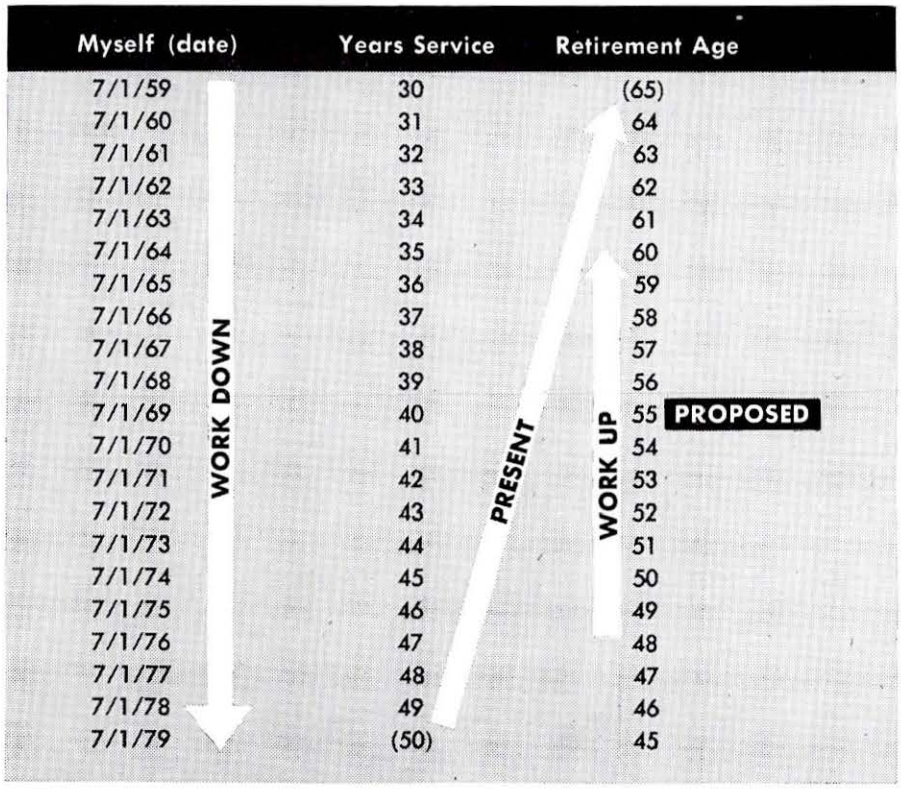
"I am definitely in favor of compulsory retirement, because after 30 years' service a person should be fairly well 'set up,' i.e., home paid for, and so forth.

"Especially I believe 50 years' service is too long to have to work in order to draw maximum pension.

"(1) I also propose the following potential optional—From: present 30 years' service *and* 65 years of age—To: For every year *over* 30 years' service, deduct a year from pension age on sort of a sliding scale, shown below. By working simultaneously down left hand column and up right hand column, point at which you arrive opposite could be voluntary pension date.

"Using myself as an example—in extreme left hand column and tie-in years of service and dates.

"My service date is July 1, 1929, at which time I was 15 years old. I was born on August 10, 1913.



"(2) Or full pension upon completion of 30 years' service, AFTER RR Retirement Act of 1937, regardless of age. In my own case this would be 7/1/67.

"This would help to alleviate unemployment in the railroad industry by making available jobs of those pensioned.

"(3) Or, plan could be similar to Armed Services policy which is much more generous."—*Ronald F. Schilp, chief clerk, Denver & Rio Grande Western.*

Conducted by George C. Randall, District manager, Car Service Division, retired, this column is a forum for questions that are being discussed on railroads today. Both questions and answers are welcome from readers at all levels of responsibility. We'll pay $10 to any reader submitting a question that forms the basis for a column discussion.

Should Labor Agreements Specify Retirement Age? appeared first in our issue of July 6 and again on August 24. All three of our comments on this topic have favored compulsory retirement. Does anyone want to speak in favor of the present system?

Why Not Standard Railroad Wrist Watches? has appeared in our two preceding columns, with replies to date favoring pocket watches. We'll have more on this question later, including some comment in favor of wrist watches.

What Benefits From 24-Hr Time? is coming up for discussion soon. We'll have comments on the 24-hr system from men who are using it.

Where Has Hot Box Odor Gone? will also be coming up soon. This question was raised by a trainmaster who wonders if an additive in journal oils might not once again cause a distinctive smoke and smell to warn of hot boxes.

Why Not Standard Railroad Wrist Watches?

"We favor the standard pocket watch. However, we would consider adopting as standard a wrist watch designed to incorporate the many specifications deemed essential to complete accuracy. As far as I know, none of the wrist watches on the market today have all of the desired specifications.

"I am not familiar with the use made of watches by the Air Force and the commercial airlines, but on some portions of our system trains are operated solely by train orders and the failure of an engineer's watch under these circumstances could result in a serious accident. While it is true that many officials seem to depend on wrist watches rather than pocket watches, the officials do not operate the trains; in fact, no one directly connected with the operation of trains on our railroad is without a standard watch."—*L. C. Porter, vice president, Texas & Pacific.*

People in the News

BOSTON & MAINE.—**Robert F. Garner,** assistant to chief engineer, Boston, appointed valuation engineer there, succeeding **Henry L. Restall,** who retired Sept. 1, but will continue as a consultant on special duties.

CHICAGO & WESTERN INDIANA—BELT OF CHICAGO.—**A. B. Hillman, Jr.,** assistant chief engineer, Chicago, appointed chief engineer there, to succeed **A. B. Hillman, Sr.,** who retired Sept. 30. **W. D. Chapel,** assistant engineer, named engineer maintenance of way, effective Oct. 1.

CLINCHFIELD.—To more accurately classify his position in line with his duties, the title of **W. E. Prince, Jr.,** has been changed from signal engineer to engineer signals and communications, Erwin, Tenn.

DENVER & RIO GRANDE WESTERN.—**A. D. Cox** appointed general agent, Pittsburgh, Pa. succeeding the late **F. E. Hill.**

ERIE.—**Stanley M. Bielski,** assistant to superintendent of construction, Cleveland, promoted to assistant superintendent of construction, succeeding **Wendell R. Swatosh,** who retired Sept. 30.

FRISCO.—**R. A. Rorie, Jr.,** assistant superintendent, Newburg, Mo., named vice president of the St. Louis, San Francisco & Texas Railway and superintendent of the Frisco's Red River division, Fort Worth, Tex.

The following appointed assistant superintendents: **C. P. Battaile,** Tupelo subdivision, Amory, Miss.; **C. A. McLeod,** Columbus and Pensacola subdivisions, Amory, Miss.; **R. E. Tyndall,** Rolla and Lebanon subdivisions, Newburg, Mo. **G. R. Clinkenbeard** named terminal trainmaster, Memphis, Tenn.

S. A. Angevine appointed terminal manager, trailer on flat car, St. Louis. **W. F. Daugherty** and **J. R. Kelly** named assistant supervisors, trailer on flat car, St. Louis and Dallas, Tex., respectively.

GREAT NORTHERN.—The office of **J. E. Adams,** assistant secretary and assistant treasurer has been moved from 2 Wall Street, New York 5, to 39 Broadway, New York 6.

GULF, COLORADO & SANTA FE.—**F. E. Russ** appointed special assistant to general manager, Galveston, Tex., succeeding **P. W. Bailey,** who retired May 31.

LACKAWANNA.—**Robert F. Bush,** engineer of maintenance of way, Hoboken, N. J., appointed chief engineer there, succeeding **George A. Phillips,** who retired Sept. 30.

LOUISVILLE & NASHVILLE.—**Lewis M. Nichols** appointed tie and timber agent, Louisville, Ky.

MANUFACTURERS RAILWAY—ST. LOUIS REFRIGERATOR CAR CO.—**Wilbur M. Daughtrey,** secretary and manager personnel, St. Louis, elected assistant general manager.

NEW YORK CENTRAL.—**R. C. Marquis,** acting division superintendent, Cleveland, appointed division superintendent, Buffalo (N. Y.) division.

NEW YORK STATE OFFICE OF TRANSPORTATION.—**Paul E. Needham** has been appointed deputy director. Mr. Needham was editor of the first edition of Simmons-Boardman's industrial encyclopedia, Plant Location, and was associated for many years with the New York Air Brake Co.

NORFOLK & WESTERN.—**James Y. Neal,** principal assistant engineer, Roanoke, Va., retired Aug. 31.

NORFOLK SOUTHERN.—**A. B. Daughtrey, Jr.,** promoted to asistant division freight agent, Norfolk, Va.

NORTHERN PACIFIC.—**Ernest E. Thurlow,** formerly chief geologist, Marcona Mining Co., Lima, Peru, named chief mining geologist, NP, St. Paul, to succeed **D. W. Lindgren,** resigned.

PIEDMONT & NORTHERN.—**W. Fred Bonney,** comptroller, **Tennessee Central,** Nashville, Tenn., has joined the P&N executive department in an administrative capacity.

PITTSBURGH & WEST VIRGINIA.—**R. N. Shields,** president, also elected chairman of the board. **James A. Parsons** elected treasurer, in addition to retaining his office as secretary. **Morris E. Mayes,** assistant comptroller, appointed comptroller. All have headquarters at Pittsburgh.

PULLMAN CO.—**Arthur H. Lobeck,** general manager, Chicago, elected vice president—operating, effective Oct. 1. **Edwin L. Getting,** secretary and treasurer, elected comptroller, Chicago.

RICHMOND, FREDERICKSBURG & POTOMAC.—**J. W. Ziesemer,** assistant to general auditor, Richmond, Va., appointed assistant general auditor and is succeeded by **L. L. Nichols. Frank A. Crovo, Jr.,** named tax accountant.

RUTLAND.—**Lloyd G. Bucklin,** comptroller and clerk of the corporation, Rutland, Vt., appointed vice president—corporate. **Norman P. Fortin** named assistant chief engineer. Mr. Fortin was formerly resident engineer with the Vermont State Highway Department.

SOUTHERN.—**George M. Williams,** assistant treasurer, appointed assistant to vice president—finance and taxation, headquarters remaining at Washington, D. C.

Robert L. Sheffield, chief traveling auditor, Atlanta, Ga., appointed auditor of station accounts there.

H. Frank Wheeler, road foreman of engines, Greenville, S. C., appointed trainmaster there (south end, Charlotte division). **Newton B. Lewis,** trainmaster, Greenville, transferred to Columbia, S. C.

UNION PACIFIC.—**J. R. MacAnally,** general freight traffic manager, Omaha, Neb., elected vice president—traffic, succeeding **W. T. Burns,** who retired Sept. 30. **James M. Adams,** general freight agent, Chicago, appointed traffic manager, Detroit, Mich., succeeding **Carl J. Stegeman,** who retired Sept. 30. **Edward L. Erickson** appointed general traffic agent, Chicago. **Harold G. Graupner** named freight agent, Chicago.

WESTERN MARYLAND.—**J. H. LeCompte** promoted to freight claim agent, Baltimore, succeeding **T. J. Barron,** who retired Oct. 1.

WESTERN PACIFIC.—**Charles G. Hartje, Jr.** appointed to the newly created position of sales manager-trailer on flat car service, San Francisco.

Robert F. Bush
Lackawanna

J. R. MacAnally
UP

OBITUARY

C. B. Cargile, who retired in December 1957 as superintendent communications and signals, **Florida East Coast,** St. Augustine, Fla., died Sept. 13 at a hospital in that city.

Supply Trade

Warwick J. Hayes, Jr., vice president of sales and advertising of **Industrial Brownhoist Corp.,** Bay City, Mich., has been elected executive vice president and general manager.

George C. Jennings has been named wire rope sales manager of the **Colorado Fuel & Iron Corp.,** at Palmer, Mass., succeeding **A. S. Rairden,** who has been named works manager at Palmer. Mr. Jennings was formerly New York district sales manager.

Edgar K. Lofton has been appointed manager of railway sales of **SKF Industries, Inc.,** Philadelphia. In his new post, Mr. Lofton will coordinate efforts of the field sales force on railway accounts, which include the sale of railway journal boxes and bearings. Mr. Lofton was formerly president of the Railway Electric Supply Manufacturers Assn.

Douglas F. Williams, field service engineer for **A. M. Byers Company** at Richmond, Va., has been transferred to Philadelphia. Mr. Williams' new territory covers southern New Jersey and eastern Pennsylvania, including Harrisburg.

Dr. David G. Braithwaite has been named to the new post of executive vice president in charge of manufacturing, research and development of **Nalco Chemical Co.,** Chicago. **Herman R. Powers** will continue as executive vice president in charge of general administration.

Henry G. Kuhn has been appointed chief engineer for **Lynch Carrier Systems, Inc.,** San Francisco. Mr. Kuhn was formerly executive staff engineer for Lenkurt Electric Co., San Carlos, Cal., specializing in carrier telephone, remote control and communication switching systems.

Aluminum Company of America, reporting wide interest in the "Special Report" carried in Railway Age of Sept. 21, announces that extra copies of the 12-page report are available and can be obtained by writing Railway Age Insert, 1501 Alcoa Building, Pittsburgh 19, Pa.

MARKET OUTLOOK *at a glance*

Carloadings Rise 1.5% Above Previous Week's

Loadings of revenue freight in the week ended Sept. 26 totaled 587,079 cars, the Association of American Railroads announced on Oct. 1. This was an increase of 8,839 cars, or 1.5%, compared with the previous week; a decrease of 86,301 cars, or 12.8%, compared with the corresponding week last year; and a decrease of 152,187 cars, or 20.6%, compared with the equivalent 1957 week.

Loadings of revenue freight for the week ended Sept. 19 totaled 578,240 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CAR LOADINGS
For the week ended Saturday, Sept. 19

District	1959	1958	1957
Eastern	86,679	93,150	110,707
Allegheny	84,133	112,738	142,079
Pocahontas	49,280	56,326	62,722
Southern	116,546	118,918	117,743
Northwestern	68,090	108,398	117,502
Central Western	118,274	128,473	120,808
Southwestern	55,238	49,757	53,373
Total Western Districts	241,602	286,628	291,683
Total All Roads	578,240	667,760	724,934
Commodities:			
Grain and grain products	54,352	54,337	47,074
Livestock	9,054	9,183	8,989
Coal	106,701	118,900	139,788
Coke	3,342	7,210	10,652
Forest Products	41,936	40,424	37,260
Ore	8,772	56,439	76,453
Merchandise l.c.l.	42,943	52,135	56,720
Miscellaneous	311,140	329,132	347,998
Sept. 19	578,240	667,760	724,934
Sept. 12	480,647	666,223	741,147
Sept. 5	544,089	563,725	646,117
Aug. 29	548,820	646,226	745,620
Aug. 22	542,561	634,231	759,240
Cumulative total, 38 weeks	22,717,732	21,492,697	26,396,972

PIGGYBACK CARLOADINGS.—U. S. piggyback loadings for the week ended Sept. 19 totaled 8,887 cars, compared with 5,989 for the corresponding 1958 week. Loadings for 1959 up to Sept. 19 totaled 296,003 cars, compared with 188,230 for the corresponding period of 1958.

IN CANADA.—Carloadings for the seven-day period ended Sept. 14 totaled 84,907 cars, compared with 67,569 cars for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada:		
Sept. 14, 1959	84,907	25,146
Sept. 14, 1958	78,647	25,473
Cumulative Totals:		
Sept. 14, 1959	2,677,288	987,819
Sept. 14, 1958	2,627,269	995,296

New Equipment

FREIGHT-TRAIN CARS

► *Canadian National.*—Ordered 100 50-ton flat cars from Marine Industries Ltd. for December 1959 delivery.

► *Northern Pacific.*—Ordered 400 40-ft box cars and 25 70-ton, 3,219-cu ft capacity covered hopper cars from Pullman-Standard. All cars will be equipped with roller bearings. Box cars will have a 14-ft door opening (6-ft sliding door and 8-ft plug door). Fifteen of the 25 covered hopper cars will be equipped with plastic interior lining and pneumatic unloading devices. Total cost of the order: $4,800,000. Deliveries are scheduled for fourth quarter 1959 (covered hopper cars) and first quarter 1960 (box cars).

LOCOMOTIVES

► *Canadian National.*—Ordered 9 1,200-hp diesel road switchers from General Motors Diesel, Ltd., for delivery in February and March 1960. Also ordered 15 steam generator units from National Steel Car Corp. for November-December delivery.

PASSENGER-TRAIN CARS

► *City of Philadelphia.*—Ordered 270 55-ft stainless-steel subway cars from Budd Co. Cost: $24,421,519. Delivery will be over the next 18 months. The cars will carry 56 passengers each and are slated for use on the city's Market Street Subway—Frankford Elevated line. (RA, May 5, p. 31.)

New Facilities

► *Louisville & Nashville.*—Major projects include: Rearranging of track and facilities and installation of car cleaning facilities at Tilford Yard, Atlanta, Ga., $425,000; installation of radio equipment on locomotives and cabooses, $263,000; enlarging of Cumberland Mountain Tunnel near Cowan, Tenn., $174,000; daylighting of Tunnel No. 4 between Cincinnati and Louisville, $96,000; and installation of automatic flashing light crossing signals at Athens, Ala., $68,700.

► *National Railways of Mexico.*—Will use a new $20,000,000 Export-Import Bank loan to finance the purchase of U.S. equipment, materials and services as part of an overall $113,000,000 rehabilitation program. Three previous loans totaling $57,300,000 were used for the purchase of diesel locomotives and rolling stock, track, and communications equipment for lines in northern Mexico. The new loan will be used for similar purposes in southern Mexico.

► *New York Central.*—Is enlarging its Bronx, N. Y., Flexi-Van terminal to accommodate simultaneous loading or unloading of 30 Flexi-Van flat cars, or 60 rail-highway trailer vans, from its present six-flat car capacity. The area will also be paved and lighting will be installed for around-the-clock operations.

Loomis to Leighty

During the recent AFL-CIO convention in San Francisco, RLEA Chairman George E. Leighty made public a letter in which he accused AAR President Daniel P. Loomis of "unfairly attacking" railroad workers. Here is Mr. Loomis' reply to the railroad union leader:

"Your letter of September 19th contains another oft-repeated distortion of fact which I feel compelled to call to your attention in the interests of truth. I refer to the statement made in your letter, and frequently repeated by you and your associates in public, that our effort to secure your cooperation in modernizing our industry's work rules is an attack upon the employees in our industry.

"I challenge you to find a single statement written or uttered by me or any railroad spokesman to support such a charge. I have repeatedly emphasized that outmoded work rules, and not the people who are trapped and victimized by these rules, are the issue. In my very first statement on this subject last February, I specifically said: 'I am not attacking railroad labor. There is no more able or conscientious work force in any industry in the nation. I am, however, attacking and condemning the deadly rules our workers must work by.'

"I have reiterated this fact many times and it is difficult for me to understand why you continue to repeat what you must know is an incorrect statement. Your demoralizing repetition of this untruth can only be construed as an effort to destroy the employees' confidence in railroad management and to stir up bitterness within the industry. To the extent that your effort wins acceptance, you must bear the blame for a callous blow to worker morale.

"I am sure you need no reminder of the fact that an average of one thousand railroad jobs have disappeared each week over the past ten years. If you share our deep concern over the problems causing this downhill trend, you will call a halt to a campaign of misinformation and join with management in attacking the real causes of this industry's loss of ground, including the progress-blocking, entangling maze of outmoded and wasteful work rules which are placing our industry under such a handicap in meeting our competition."

Erie-Lackawanna Hearings Begin

Improved net income of over $13,500,000 a year, before taxes, was predicted for the Erie and Lackawanna, if their merger is carried out. This was the forecast of merger-consultant William Wyer in testimony before the Interstate Commerce Commission hearings on the merger last week in Buffalo, N. Y.

Other witnesses in favor of the merger were headed by Presidents Harry W. Von Willer of the Erie and Perry M. Shoemaker of the Lackawanna. Several railroads asked permission to intervene, either as opposed to the merger or in conditional opposition.

Reported as in outright opposition were the Wabash and the Lehigh Valley. In conditional opposition were the Nickel Plate and the New Haven. The New York Central took the position that it would favor the merger on condition that gateway traffic in the Lackawanna area would be maintained.

Strongest opposition in the early stages of the hearing came from the Nickel Plate, which in its petition to intervene asserted that the effect of the merger would be substantially lessened competition and, in some cases, complete elimination of competition.

The merger plan, which has been approved by stockholders on the basis of exchanging stock in the new company at the rate of 1¼ shares for each share of present Erie stock and 1 share for each share of present Lackawanna stock, needs only ICC approval to become effective.

Lackawanna President Shoemaker testified that the basis that had been negotiated for unification was equitable to both roads, and that consolidation would result in:

- Better service to the public.
- Greater job security.
- A stronger network for the nation's defense.
- A chance for passenger railroads to make money again and to improve their methods.

"I do not want anyone to get the idea we are divorcing any of our Buffalo connections," Mr. Shoemaker said. "This is firmly evident by the fact that we are proposing to spend a very substantial sum for a new yard at Buffalo. Thus we are re-affirming the close relationship that has existed for many years between Lackawanna and its Buffalo connections."

Integration: It's on the Way

The first phase of integrated transportation is now under way—and full integration will come with the passage of time and the removal of obstacles that now bar its progress, according to Maj. Gen. E. C. R. Lasher, president of North American Car.

"Each year brings us closer to integrated transportation," General Lasher told the San Francisco Security Analysts. "The simple facts of economic survival against rapidly expanding foreign trade dictate that something be done soon to modernize our transportation system, which now soaks up from 5 to 20% of the consumer's dollar."

General Lasher sees integration as an outgrowth of the movement toward containerization of freight shipments. With an interchangeable container and integrated transport, he said, a shipper will be able to send his product "to any part of the country on a single bill of lading by the most efficient and economical routes, regardless of the type of carrier."

North American's president noted three hurdles which integration will have to clear:

- Considerable modification of the present Transportation Act "that dates back to horse-and-buggy days."
- "Various modes of transportation will have to quit sniping at one another and begin agreeing on standards, rates and areas of operation."
- "Transport unions will have to awaken to the fact that this new technology, in the long run, means upgraded and more secure employment."

One-Package Transport Urged

► **The Story at a Glance: One-package transportation won enthusiastic endorsement in an unlikely setting last week—at a panel discussion sponsored by the Middlewest Shipper-Motor Carrier Conference in St. Louis, Mo.**

Three of four panelists—a railroad president, a Chamber of Commerce transportation officer, and an industrial traffic officer—backed the integrated transport theory. The lone dissenter: American Trucking Associations President J. Robert Cooper.

The potential benefits of single-package transportation make a stronger case than the objections to integration. Coordination of service between modes of transport—the approach favored by the trucking industry—can be a somewhat less flexible substitute, but it's not the real solution. Therefore, three transportation experts agreed, one-package service should be made possible.

Rock Island President Downing B. Jenks, lead-off man on the shipper-motor carrier panel, set up the "pro" side of the question and got solid support from Lee R. Cowles, transportation commissioner of the Kansas City Chamber of Commerce; and Irby O'Brien, assistant general traffic manager of Monsanto Chemical Co.

Mr. Jenks pointed out that the common carriers—rail, motor or water—"have a great deal in common and can work together in many areas to mutual advantage." He reviewed Rock Island's own efforts towards coordination through joint rates with motor carriers (efforts which, of necessity, have moved slowly in the face of some railroad and truck line opposition).

The volume of business moving under joint rates, he said, "is still small but we think it will grow . . . . An increasing number of truck lines and railroads are becoming interested."

Still, he concluded, the joint rates approach is not the final answer. His position: adequate service to the shipper means giving him through, fast, long-haul service. And the best means to that end is to have one agency for the shipper to deal with.

Mr. Cowles agreed: "I don't see why any one mode of transportation should be prevented from the use of technological improvements represented by another form of transportation if such use means more economical operation of the system. Why should it be told that it cannot progress by adopting a newer and more economical mode? . . . Single-package transportation, common ownership of different modes of transportation, integrated transportation should be made possible by legislation that will set up no greater qualifications to be met than those now required of applicants solely engaged in one form of transportation."

Mr. O'Brien noted the present restrictions on railroad operation of truck lines—the key point restrictions—and contended that these limitations are a principal reason for the railroad drive for legislation in the one-package field.

He said the restrictions "are in the nature of make-work rules that increase the cost of handling and delay or prevent the performance of expedited service. They must be classified with the so-called labor featherbedding rules . . . Ingenuity and imagination in bringing about new techniques of transportation must not be thwarted by senseless restrictions that prevent any carrier from furnishing the most economical and efficient transportation that it is capable of providing."

ATA President Cooper clung to the joint rates theory—though he, too, admitted progress has been slow. (Railroads resisted the idea for so long, he said, that "we got tired waiting and many of us have not snapped out of it yet.")

Even so, he added, "whether or not the individual railroads or the individual truck lines do get together to coordinate is not now the major issue. The issue is that voluntary coordination can do everything for the shipper that common ownership could do. And it would do it without danger to the public."

Mr. Cooper charged that "the mere idea of the railroads going full tilt into the trucking business is, from one viewpoint, almost preposterous. Here we have the railroads—who for years have fought tooth and nail to retard the development of the trucking industry—now wanting in."

Rate Analysis Panel Proposed

Formation of an impartial rate analysis panel, covering all forms of transportation, has been proposed as a possible means of feeding accurate transport pricing information to industrial development prospects.

Winthrop Rockefeller, chairman of the Arkansas Industrial Development Commission, said his organization feels that "a small group with analytical capacity in the fields of transportation and freight rates should be set up in the state on an impartial basis where we all can have guidance in the adjustment, correction and protection of inter- and intra-area rates and rate structures in order to maintain the most competitive position for each product and commodity."

Part of Arkansas' problem, he said, arises because "not too many commodities and individual products at specific locations are established in this state at present . . . Rates have not been worked out to apply competitively."

Most ID programs, he added, "relate such problems on transportation costs to the railroads, truck lines or airlines in order to learn listed rates for particular commodities or finished products between specific points. In this way most generally the problems are related to rates established years ago without consideration of the erosion that has been brought to bear by intervening competition among rates, commodities and locations . . .

"We feel that opportunities to help benefit our local industries and particularly to secure new industries lie in this field of transportation cost competition. We feel that we do not have in the state as yet a proper impartial medium to which these problems can be intelligently referred in order to determine if the minimum cost of transportation is being made available."

Mr. Rockefeller spoke before a meeting of the Southwest Shippers Advisory Board in Little Rock, Ark.

Index To Volume 146

The index to the latest volume of Railway Age, January through June 1959, is ready for distribution, and copies may be had by those subscribers desiring them. Requests should be addressed to the Circulation Department, Railway Age, Emmett Street, Bristol, Conn. Subscribers who have in previous years made application for the index need not apply again. They will continue to receive it as long as they continue to subscribe.

N. Y. 'Full-Crew' Law Probed

► **The Story at a Glance: Must New York's railroads continue to pay out $15,000,000 a year to keep 2,000 "excess" crewmen on their trains?**

The question will get a thorough public airing in New York City this week when the New York State Public Service Commission opens hearings on the state's "full-crew" law. The hearings will determine whether or not the commission will recommend repeal of the law when the 1960 legislature convenes.

On a run between Corning, N. Y., and Newberry Junction, Pa., a New York Central train has to carry a third brakeman as far as the state line—16 miles out of Corning. At that point the brakeman is discharged. He then returns to Corning by taxi, if there is no train going north. For this 45 minutes of train travel time plus a company-paid taxi ride, he receives a full day's wages. Pennsylvania law does not require his presence; New York law does.

A baggageman boards the Central's "Twentieth Century Limited" at Buffalo. He has nothing to do with the baggage and gets off at Cleveland, the next stop, where the baggage car is sealed and moves on.

Railroads operating in New York claim that "excess" crewmen like these, required by state law, are costing them an unnecessary $15,000,000 a year. They have submitted 400 pages of testimony to the New York Public Service Commission in support of this contention. Railroad unions have also submitted testimony. This week, in New York City, the commission opens public hearings on the "full crew" question. A recommendation for repeal of the law could come out of the hearings.

The hearings are an outcome of a 76-page "Special Report to the Governor on Problems of the Railroad and Bus Lines of New York State" submitted to Governor Nelson Rockefeller earlier this year by former C&O legal chief Robert W. Purcell and five associates with special experience in transportation problems. The report recommended, among other things, that the state law be changed to give the PSC authority over "full-crew" requirements rather than setting minimum crew sizes by law. (RA, March 23, p. 9.)

At issue are paragraphs a, b and c of Section 54 of the state's Railroad Law. These require a six-man crew consisting of engineer, fireman, conductor and three brakemen to ride on a train of 25 cars or more, and a five-man crew consisting of engineer, fireman, conductor and two brakemen on shorter freights and non-freight consists of five cars or more (a baggageman is also required on a train that is carrying baggage).

In the case of a light engine without cars, an engineer, fireman and brakeman or conductor are required; while fuel-electric engines must have an engineer and fireman or helper.

Relief from these requirements is sought by the Baltimore & Ohio, Boston & Maine, Delaware & Hudson, Erie, Lackawanna, Lehigh Valley, Long Island, New York Central, New Haven, Nickel Plate and Pennsylvania.

Suppliers Support R.R.s

The railroad testimony contends that the law ignores technological developments and improvements in railroading and is a deterrent to safety, rather than helpful to it, because it creates an indefinite and undesirable division of responsibility, encourages laxity and carelessness, and exposes more personnel than necessary to the element of risk.

Specifically cited as unnecessary are firemen on diesels in yard and road freight service and light engine movements; one of the brakemen on passenger and freight trains; and baggagemen riding on trains with sealed mail cars.

In support of the railroads, suppliers have submitted testimony detailing improvements in couplers, locomotives, brake beams, signaling, wheels, air brakes and retaining valves, switches, frogs and track work, freight car truck side frames, etc. Included are statements by Howard T. Casey, vice president of The Symington-Gould Co.; Roy F. Abell, chief engineer of the Transportation Division of Alco Products, Inc.; Charles R. Busch, vice president of Buffalo Brake Beam Co.; William D. Hailes, consulting engineer of General Railway Signal Co.; Bernard R. Brown, assistant chief engineer of American Brake Shoe Co.; H. Norton Sudduth, chief engineer—railway and pneumatic equipment, The New York Air Brake Co.; Fred W. Creedle, chief engineer, track work department, Railroad Products Division, American Brake Shoe Co.; Albert William Faulconbridge, executive vice president of Ajax Consolidated Co.; C. E. Tack, vice president and chief mechanical engineer of American Steel Foundries.

The railroads are in unanimous agreement that the "full crews" demanded by the state law are not necessary. They cite annual losses that run as high as $5,916,609 for the New York Central alone.

Although employees the railroads claim are unnecessary are provided for, in most cases, in existing labor agreements, the roads say removal of the law would enable them to work out this problem with the unions.

HAYES Bumping Posts in the future must stop cars at any speed without damage to the cars, lading or rail. The ballast and ties only may be disturbed. The Hayes Type WP Bumping Post meets these conditions.

Hayes Track Appliance Co., Richmond, Indiana

STEEL STRIKE IMPACT (*Continued from page 10*)

C&NW had suffered a gross revenue loss of about $7,000,000 as of Oct. 1. A total of 650 workers were furloughed. While some of the traffic loss will be permanent, the road expects to make up a substantial part of it during the balance of 1959 and during 1960.

● **New Haven.**—The steel strike is held "largely responsible" for a drop of over $800,000 in August freight revenues. The New Haven reported a deficit of $1,375,583 for August—compared with a deficit of $195,677 in August 1958. The road's eight-month deficit was $5,765,861; the deficit for the corresponding period in 1958 was $3,644,516.

● **Reading.**—The steel strike (together with a coal-miners' holiday and a 19-day work stoppage in the Port of Philadelphia) contributed to the posting of a $121,457 deficit in August 1959, compared with a $466,988 profit in the corresponding month of 1958. Reading has furloughed 1,279 employees during the strike. While 25% of its normal traffic is directly tied to steel production, the Reading notes that its other freight has held up, and even registered modest improvement.

Car Financing Plan Developed

New York State commuters may be riding the first of 370 new passenger cars sometime next spring, if plans for financing and leasing the cars can be carried out. The Port of New York Authority, which was given responsibility for purchasing and leasing commuter equipment to the Long Island, New York Central and New Haven under Governor Rockefeller's railroad-relief plan (RA, March 23, p. 9), reported to the governor last week that a financing plan has been developed.

This plan will provide $50,000,000 to cover the cost of 140 cars tentatively allocated to the Long Island, 130 cars to the New York Central and 100 to the New Haven. Of the total, $20,000,000 will be loaned directly to the Port Authority by New York State. The remainder of the amount is to be financed by private sources. Final governmental approval permitting the bi-state Port Authority to participate in the plan to aid New York State commuters came Sept. 21 when President Eisenhower signed a bill to that effect.

Earlier, the proposal had been approved by Congress and by the governor and legislature of New Jersey, as well as by Governor Rockefeller and the New York legislature.

Before bids for the new cars can be requested, however, three more steps will have to be taken:

● The Port Authority and the railroads will have to work jointly on developing specifications for the cars, with the goal of achieving as much standardization as is possible considering the different electrical systems on the three roads. Except that the cars will be air conditioned, electric multiple units, construction details have not been settled.

● Arrangements for the $30,000,000 of private financing will have to be completed.

● Long-term lease arrangements will have to be reached with the individual railroads.

A spokesman for the Port Authority indicated that the preliminary stages might be concluded early in 1960. The first cars could be rolling by late spring of next year.

As the program continues, New York State voters will be asked to approve a constitutional amendment permitting the state to back a bond issue for commuter equipment financing. Proceeds from these bonds will be used to retire the $50,000,000 obligation now under discussion as well as to provide additional funds. Because of the details involved in placing a constitutional amendment on the state ballots, though, 1961 is the earliest date the amendment can appear

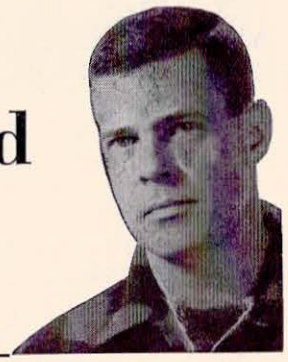
All three of the railroads that would be affected are now operating commuter car fleets made up of some modern, some obsolete equipment.

The 140 new cars that are tentatively earmarked for the Long Island would bring the road within shouting distance of its goal of 100% upgrading of its commuter fleet. The Long Island has already purchased 222 new cars on its own, and has modernized more than 450 of its old cars. With the addition of the proposed 140 cars, LIRR would have 812 new and modernized cars.

New York Central, tentatively earmarked for 130 new cars, now has 582 cars in commuter service in the area affected. Of these, 100 are modern air-conditioned MU cars, 259 are prewar non-air-conditioned MU cars and 223 are old, but air-conditioned, standard coaches.

The New Haven, tentatively scheduled for 100 new cars, also has a number of modern air-conditioned MU cars, as well as some pre-war non-air-conditioned types.

Does Wood Get Tired ?



Chuck Bradley
Osmose Bridge Inspector

Well—maybe so . . . but back in Forestry School, we were taught that one of the big advantages of wood as opposed to metal came from the fact that a properly engineered wooden structure doesn't get "tired." In my experience, it's not fatigue—but fungus decay that causes replacement of wood bridges and trestles.

We have a good, inexpensive method of inspecting and preserving older bridges in-place and we think it's one of the biggest money-savers available today.

Let us know if we can look over one or two of your older bridges and give you a price.

Chuck Bradley

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WOOD PRESERVING CO.
OF AMERICA, INC.

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Elmwood 5905

You Ought To Know...

"An exceedingly active market" for passenger equipment should develop within the next 10 or 15 years out of the commuter problems of Los Angeles, San Francisco, Chicago, Philadelphia, Boston and New York, according to Budd Co. President Edward G. Budd, Jr. Mr. Budd told the New York Society of Security Analysts that he didn't see any answer to the problem of moving people in and out of these metropolitan areas except by rail mass transit. "It's either this or the end of the cities," he said.

Government guaranty of a $500,000 loan is being sought by the New York, Susquehanna & Western to replenish working capital and to help finance maintenance during the remainder of 1959. Susquehanna applied for guaranty of a $450,000 loan a year ago, later withdrew the application when its financial condition improved (RA, Feb. 16, p. 7).

Savings of $80,000 a year are in prospect if the ICC permits Great Northern and Soo Line to undertake two track coordination projects in North Dakota. Under the plan filed with the Commission, trains of both roads would operate via GN between Lignite and Crosby (32 miles), via Soo Line between Hankinson and Geneseo (15 miles). Each road would save about $40,000 yearly (RA, June 8, p. 36).

The ICC's "Paint Case" decision (RA, Sept. 14, p. 9) holds out hope for the "establishment of a favorable, realistic policy of rate regulation," Clair M. Roddewig, president of the Association of Western Railways, told the Kansas City Traffic Club last week. He said the decision "could be a very definite step toward a revitalized railroad industry, with untold public benefits."

Fully automatic scrap shear is now in operation at the New York Central's scrap and reclamation plant at Ashtabula, Ohio. Operated by one man, the automatic shear takes the place of acetylene torch equipment in cutting up scrap steel for processing. Installed at a cost of approximately $160,000, the machine is expected to pay for itself within one year.

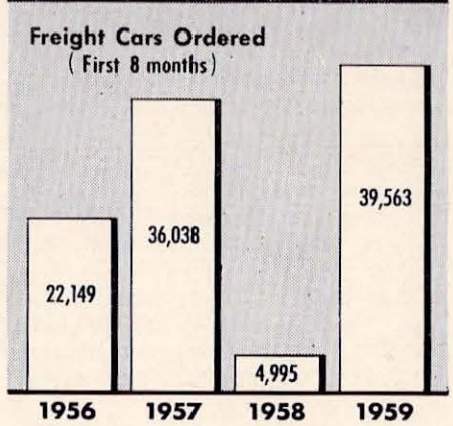
Thirteen railroad employees were killed on duty and 1,186 injured in July, compared with 10 deaths and 1,095 injuries in July 1958. One passenger was killed and 132 injured in train and train-service accidents in July, compared with July 1958's 177 injuries and no deaths.

Gayton E. Germane, former professor of transportation at Stanford University, has been appointed director for transportation policy in the office of the assistant secretary of defense (supply and logistics). He succeeds Earl B. Smith.

An increase in net income of over $200,000 above the previous year has been registered for fiscal 1959, ended June 30, by the government-owned Alaska Railroad. The road's net was $343,801. Revenues showed a 3.4% increase over the previous year.

Postponement of preview runs of C&NW's "push-pull" suburban equipment is the result of manufacturing delays. Originally scheduled for Sept. 29-30 (RA, Sept. 28, p. 56), the runs have been set back to Oct. 13.

...And Watch



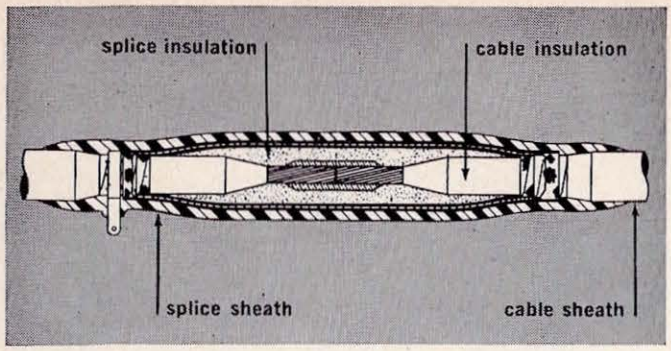
New England shippers are supporting efforts of the Maine Central and Bangor & Aroostook to abandon passenger service in Maine. A representative of the New England Shippers Advisory Board will testify in favor of the abandonment petitions at hearings this month.

L&N's new Wauhatchie Yard at Chattanooga, Tenn., is now in the advanced grading and earth moving stage. Removal of 1,900,000 cubic yards of rock and earth is 55% complete. The 2,500-car flat switching yard is due for completion next summer. Cravens Yard in downtown Chattanooga will then be turned over for industrial development. The overall project also includes relocation of the L&N mainline and construction of a new Chattanooga passenger station approximately one mile south of the existing depot.

About 1,000 new cars per year will be added to North American Car Corp.'s fleet under the company's current five-year expansion program. Financing will be set up on a basis of 80% under 15-year equipment trust certificates, the remainder with cash from working capital.

Crowsnest Pass grain rates, which have long been under fire from Canadian railways, will be investigated by the Royal Commission appointed to study freight rates. The Crowsnest rates, which are fixed by a 1925 federal law at a level considerably below other rates, apply on grain from the Canadian prairies moving to the coasts for export. There is considerable Parliamentary opposition to any change in the rates, and no previous Royal Commission has attempted to determine whether or not they are compensatory.

A mainline telephone dial system connecting Denver, Pueblo, Grand Junction and Salt Lake City has just been completed by the Denver & Rio Grande Western. The system permits a caller at any one of these points to dial directly any department or location on the railroad.



The theory behind the design of "fail-proof" cable splices

Designing "fail-proof" splices . . . or, putting it another way . . . how to obtain splices that are as dependable as the cables they connect, is a subject that electrical engineers have studied for a long time.

The problem. The conductor of an electrical cable is insulated and sheathed with compounds designed specifically for the job, and they perform this job throughout the length of the cable. In splicing, however, portions of the insulation and sheath must be removed to enable the conductor ends to be joined together. Replacing these compounds with equally reliable materials is the basic problem in making a "fail-proof" splice.

An interesting observation. Many splicers replace the cable's insulation and sheath with tapes that have a hundred other purposes. A common opinion is "tape is tape—the cheapest is good enough." This opinion is one of the reasons behind the fact that most cable failures occur at the splice. Obviously, splices are not failproof if they're covered with materials that were not specifically formulated to insulate or sheath cables.

The solution. Fortunately, there are splicing tapes made of true cable compounds. These tapes are made by Okonite, the company that manufactures and designs superior electrical cables and the splicing tapes to go with them. Okonite tapes have been tested in the laboratory and proved in the field . . . and they are made by a cable manufacturer specifically to sheath and insulate cable.

Try Okonite Quality tapes. You'll be glad you did, and your splicers will, too. They'll appreciate the fact that Okonite tapes are easier to work with. *Okonite* and *Okolite* tapes for insulating, *Okoweld* and *Okoprene* for sheathing.

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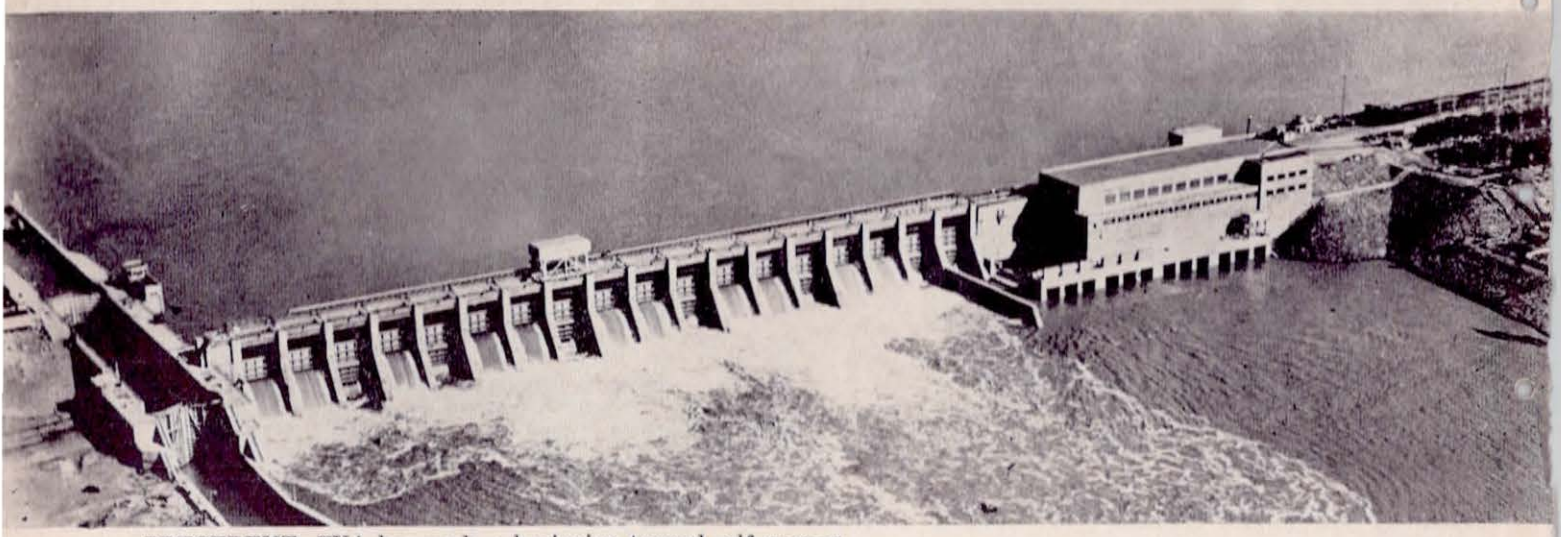


PRECEDENT: TVA has made a beginning toward self-support

We can stop inflation now

• **There's no mystery** about how to put an end to transportation's big share of the inflation problem. A pattern for a cure is to be found in the set-up of the Tennessee Valley Authority.

• **The TVA is popularly supposed** (and correctly) to be a socialistic enterprise. But it is socialistic with built-in provisions for getting rid of its socialistic features. TVA is already far less socialistic, for example, than the rest of the country's inland waterways system—which latter is wholly supported by the taxpayers, not the users. It is much less socialistic than the federal aid highway system.

• **TVA earns its way**—i.e., operating expenses and interest on its borrowings. It makes token payments in lieu of property taxes to local governments. It would be relatively easy for Congress to convert TVA into a respectable, self-supporting corporation — merely by removing from it all vestiges of the fiscal favors and tax immunities it enjoys, as a government enterprise.

• **TVA could easily raise the money** needed to pay its full quota of state and local taxes—if it were required to levy tolls on the barges that use its channels. There's no reason why other taxpayers should have their taxes increased, as now happens, to make up the cost of the transportation facilities TVA provides as a give-away. Why should TVA sell the electric power it produces, but pass out its contribution to waterway transportation as a free gift?

• **Organized as a corporation,** TVA could be made to fit into the private enterprise system quite readily —simply by requiring it to be fully self-financed and self-supporting, while paying all taxes that a private corporation would pay in similar circumstances. Or, TVA could actually be converted into private enterprise by offering it for sale to the highest bidder.

• **There are many counterparts** of TVA throughout the country—in the state-chartered "authorities" which operate port facilities, bridges, airports and toll-roads. None of these authorities is operated on a basis of full self-support and contribution to taxes, as a private corporation would be operated. All of these authorities continue to enjoy many socialistic privileges—such as exemption from property taxes, and exemption of their securities from federal income taxes.

• **These exemptions** could be readily removed. The "authorities" could be made to resemble private corporations so closely that they would no longer have an unjust competitive advantage, compared to private corporations. They, too, could be made 100% private enterprise by sale to private investors.

• **The country's major** highway system is a public utility—providing exactly the same kind of transportation service the railroads provide. There is no reason whatever why such a facility should have to go to Congress and the state legislatures for appropriations derived from taxation. Major highways in every state could be turned over to one or more "authorities"—required to stand on their own financial feet, exactly as if they were utility companies in private ownership.

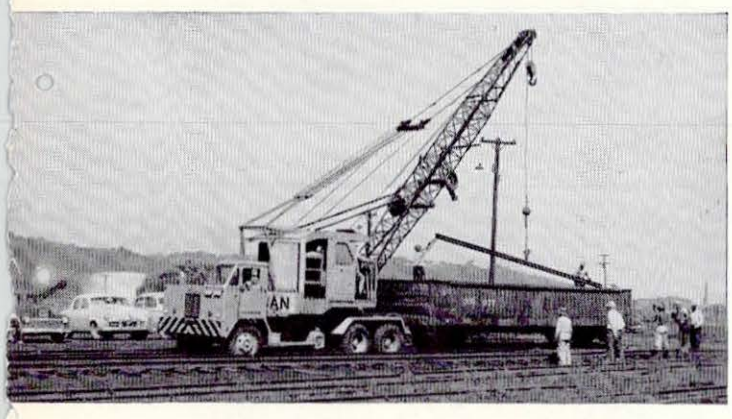
• **Inland waterways** could be similarly operated, so these government utilities would be "on their own" as to finances, and would pay taxes, just as if they were private property.

• **Self-supporting enterprise,** which pays its way as it goes along, does not make the dollar depreciate in value. Governmental deficits—which result in the issuance of government securities, but with no commensurate increase in production—simply mean that there is an addition to money in relation to the supply of goods. Prices go up—the value of the dollar falls.

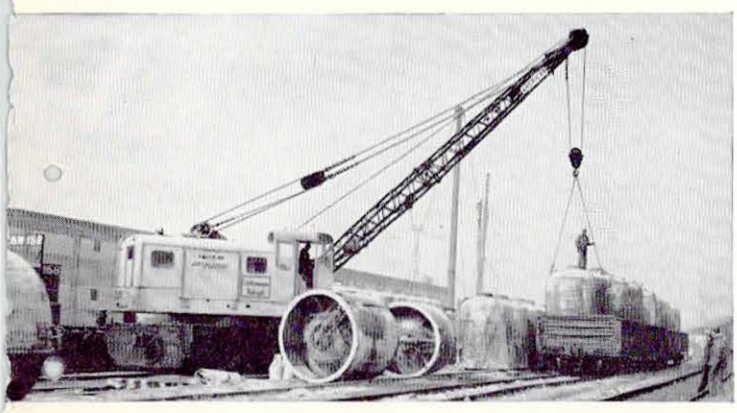
• **Still another approach** to ending the inflation and socialism in transportation might be to exempt all transportation *property* (whether in private or public ownership) from taxes—and substitute instead a tax on transportation *revenues* (covering highway, water and air transportation—equally with railroads). Ways to end inflation and socialism in transportation are easy to come by—once people decide that ending inflation is what they want.

• **Most Americans look forward** to a comfortable old age, based on retirement pensions. They'd better all interest themselves in putting an end to inflation—or the fixed incomes they're expecting in the years ahead may not be worth enough, even, to buy a daily newspaper. Ask the Germans or the French—they've had experience with what happens to people when currency values sink out of sight. It *can happen* here. It *will happen* unless we mend our ways. Unless voters force government to stop inflation in transportation, then inflation just won't be stopped at all.

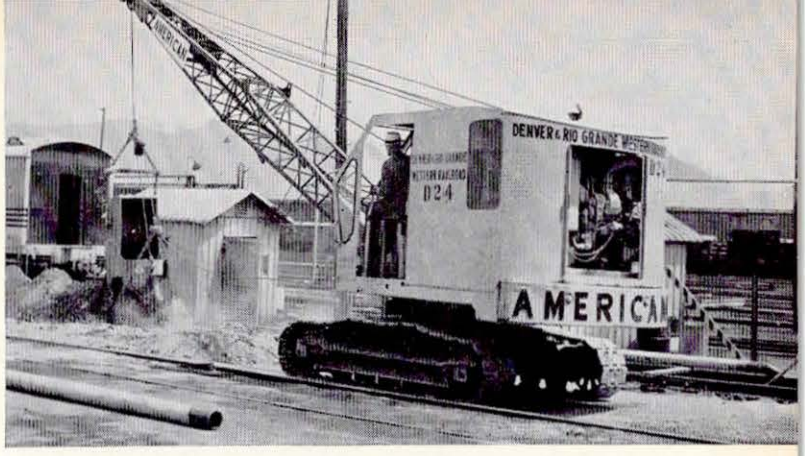
MAGNET: Scrap work. AMERICAN DiesELectric Locomotive Crane.



LOADING: Rail handling. AMERICAN 300 Series Truck Crane.



SPOTTING: Cars and materials. AMERICAN DiesELectric Locomotive Crane.



YARD MAINTENANCE: Pipeline Trenching. AMERICAN 100 Series Crawler Crane.

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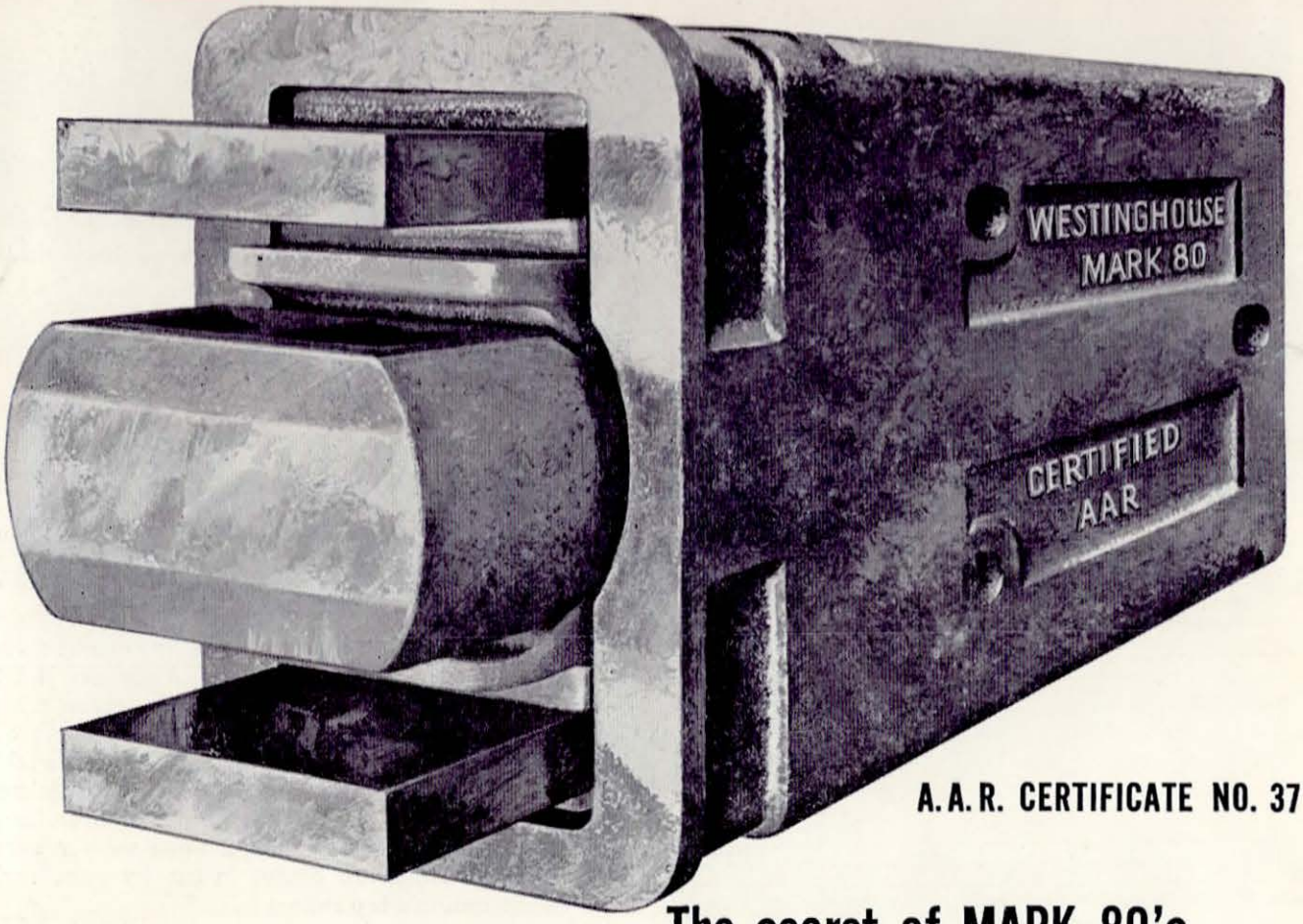

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